FILED

94 866 NOV 10 1994

OFFICE OF THE CLERK

No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1994

HWESU S. MURRAY,

Petitioner,

vs.

NATIONAL BROADCASTING COMPANY, INC., and BRANDON TARTIKOFF,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

HWESU S. MURRAY

111 North Third Avenue
Mt. Vernon, New York 10550
(914) 667-8352

Petitioner - Pro Se

22 pp

3. Do violations of the Rules of Decision Act and the Erie Doctrine provide separate grounds for relief under Rule 60(b)(6), or is relief obtained because such violations constitute "extraordinary circumstances?

4. Do the Rules of Decision Act and the Erie Doctrine require that the impact of an erroneous determination of state law by a federal court should be borne by the litigant who is adversely affected by the error or by the federal court which made the error?

5. In cases involving determination of states' laws in federal courts does the federal interest in finality of litigation outweigh the interests of the states in the uniform administration of their laws and the prevention of forum shopping?

6. Does a circuit court panel of two-judges violate either Rule 46(b) of the Federal Rules of the Judiciary and Judiciary Procedure or the policy interests expressed by this court?

LIST OF PARTIES

All parties to the proceeding in the United States Court of Appeals are named in the caption. The Carsey-Werner Company, Marcia Carsey and Thomas Werner were additional named defendants in the complaint. Petitioner voluntarily dismissed his claims against them prior to the United States District Court's grant of summary judgment.

TABLE OF CONTENTS

PAGE

Questions Presented i

List of Parties iv

Table of Contents.....v

Table of Authorities x

Opinions Below 2

Prior Opinions and Orders 3

Jurisdiction 4

Constitutional and Statutory
Provisions Involved 5

Statement of the Case 6

Reasons for Granting the Writ 21

I. Standard of Review 22

II. Outcome Determination 25

III. Rule 60(b)(6) 31

IV. Burden of Error 34

V. Finality 40

VI. Rule 46(b) 42

Conclusion 48

INDEX TO APPENDICES

Appendix A — Order and Opinion of the Court of the Court of Appeals denying Petition for Rehearing, reported in Murray v. NBC, 1994 US APP LEXIS 21789 (2d Cir.), issued August 12, 1994.

Appendix B — Order and Opinion of the Court of Appeals reported in Murray v. NBC, 1994 US APP LEXIS 17691.

Appendix C — Unpublished Mandate of the Court of Appeals in Murray v. NBC.

Appendix D — Unpublished Summary Order of the Court of Appeals in Murray v. NBC.

Appendix E — Order and Opinion of the District Court for the Southern District of New York reported in Murray v. NBC 1993 US DIST LEXIS 16745

Appendix F	Unpublished Order and Opinion of the District Court for the Southern District of New York in Murray v. NBC.
Appendix G	Opinion and Order of the District Court for the Southern District of New York reported in Murray v. NBC 718 F. Supp. 249.
Appendix H	Denial of Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit in Murray v. NBC reported at 109 S.Ct. 391, 488 U.S. 955, 102 L.Ed. 2d 380.
Appendix I	Unpublished Orders and Opinions of the Court of Appeals for the Second Circuit denying Petition for Rehearing and Affirming the District Court.
Appendix J	Majority and Dissenting Opinions and Order of the Court of Appeals for the Second Circuit in Murray v. NBC reported at 844 F. 2d 988.

Appendix K	Unpublished judgment of the District Court for the Southern District of New York in Murray v. NBC.
Appendix L	Order and Opinion of the District Court for the Southern District of New York in Murray v. NBC reported at 671 F. Supp. 236.
Appendix M	Amendment V to the United States Constitution
Appendix N	Amendment XIV to the United States Constitution
Appendix O	15 U.S.C. § 1125 The Lanham Act
Appendix P	28 U.S.C. 2283 Anti-Injunction Statute
Appendix Q	42 U.S.C. § 1981 Civil Rights Act
Appendix R	42 U.S.C. § 1982 Civil Rights Act
Appendix S	Rule 60 Federal Rules of Civil Procedure
Appendix T	28 U.S.C. § 1652 Rules of Decision Act

Appendix U	28 U.S.C. § 46(b) of the Federal Rules of the Judiciary and Judicial Procedure
Appendix V	Order and Opinion of the Court of Appeals of the State of New York reported in Apfel v. Prudential-Bache Securities, Inc. 600 N.Y.S. 2d 433, 81 N.Y. 2d 470, 616 N.E. 2d 1095
Appendix W	28 U.S.C. § 1254 Courts of appeals: certiorari; certified questions
Appendix X	28 U.S.C. § 1651(a) Writs

TABLE OF AUTHORITIES CITED

PAGE

CASES

Apfel v. Prudential-Bache Securities, Inc.
600 N.Y.S. 2d 433
81 N.Y. 2D 470
(Ct. App. 1993) 17-42

DeWeerth v. Baldinger
1994 US APP LEXIS 29991 32-36
38-41

DeWeerth v. Baldinger
804 F. Supp. 539
(S.D.N.Y. 1992) 35-36

Downey v. General Foods Corp.
31 N.Y. 2d 56, 334 N.Y.S.
2d 874, 286 N.E. 2d 257
(1972) 15

Erie R. v. Tompkins
304 U.S. 64, 58 S. Ct.
817, 82 L.Ed. 1188 (1938).....20-42

Ferber v. Sterndent
433 N.Y.S. 2D 85
(Ct. App. 1980) 26

Guaranty Trust Co. of New York v. York
65 S.Ct. 1464
326 U.S. 99 (1945) 25,
37-38

Hanna v. Plumer
380 U.S. 460, 85 S. Ct.
1136, 14 L.Ed. 2d 8 (1965).....23

Klapprott v. United States
69 S.Ct. 384, 336 U.S.
942 (1949) 32-33

Negron v. Peninsular
Navigation Corp.
279 F. 2d 859 (2d Cir. 1960)....23

Salve Regina College v.
Russell
111 S. Ct. 1217 (1991).....22-24

Solomon R. Guggenheim
Foundation v. Lubell
77 N.Y. 2d 311, 567
N.Y.S. 2d 623 (1991) 37

Werlin v. Readers Digest
Ass'n Inc.
528 F. Supp. 451
(SDNY 1981) 15

West v. American Telephone
& Telegraph Co.
61 S. Ct. 179, 311 U.S.
223 (1940) 28-29

Western Pac. R. Corp.
v. Western Pac. R. Co.
73 S.Ct. 656, 345 U.S.
247 (1953) 45

STATUTES

United States Code

Title 28, F.R.C.P.
Rule 60 .....5-6, 20-42

Title 28,
Federal Rules of the
Judiciary and Judicial
Procedure
Rule 46(b) 6, 42-47

Title 28, Section 1254(1).....5

Title 28, Section 1651(a) 5, 17

Title 28, Section 1652 .....6, 20-42

Title 28, Section 2283 .....5, 17

United States Constitution

Amendment V .....passim

Amendment XIV .....passim

No. _____

IN THE SUPREME COURT
OF THE
UNITED STATES OF AMERICA

October Term, 1994

HWESU S. MURRAY,
Petitioner,

vs.

NATIONAL BROADCASTING COMPANY, INC.,
and BRANDON TARTIKOFF,
Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Petitioner, Hwesu S. Murray, ("Murray" herein), respectfully prays that a writ of certiorari issue to review the judgments and opinions of the United States Court of Appeals for the Second Circuit affirming the order of the

District Court, Southern District of New York, which denied Murray's motion to vacate the prior judgments and orders issued in this action.

OPINIONS BELOW

The Order and Opinion of the Court of Appeals which denied Murray's Petition for Rehearing is reported at 1994 US APP LEXIS 21789 (2d Cir.). It appears at Appendix A to this Petition.

The Order of the Court of Appeals which affirmed the District Court is reported at 1994 US APP LEXIS 17691. It appears at Appendix B to this Petition. The unpublished Mandate of the Court of Appeals appears in Appendix C to the Petition. The unreported opinion of the Court of Appeals which affirmed the District Court was issued as a Summary

Order. It appears at Appendix D to this Petition. The Opinion and Order of the District Court is reported at 1993 US DIST LEXIS 16745 (SDNY). It appears at Appendix E to this Petition.

PRIOR OPINIONS AND ORDERS

The unpublished Final Judgment of Permanent Injunction of the District Court appears in Appendix F to this Petition. The Opinion and Order of the District Court granting the injunction is reported at 718 F. Supp. 249. It appears in Appendix G to this Petition.

The Order of this Court which denied Petitioner's prior Petition for Certiorari is reported at 109 S.Ct. 391, 488 U.S. 955, 102 L.Ed. 2d 380. It appears in Appendix H to this Petition.

The unpublished Orders of the Court of Appeals denying the Petitioner's prior Petition for Rehearing and affirming the District Court appear at Appendix I to this Petition. The majority and dissenting opinions of the Court of Appeals are reported at 844 F. 2d 988. They appear at Appendix J to this Petition.

The Judgment of the District Court appears at Appendix K to this Petition. The Opinion and Order of the District Court is reported at 671 F. Supp. 236. It appears at Appendix L to this Petition.

JURISDICTION

The Court of Appeals Opinion in this matter was filed on June 16, 1994. A timely Petition for Rehearing was filed on June 29, 1994. The Court of Appeals'

denial of the Petition for Rehearing was issued on August 12, 1994 and is set forth in Appendix A. This Court's jurisdiction is invoked under Title 28, U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Amendment V to the United States Constitution is set forth in Appendix M. Amendment XIV to the United States Constitution is set forth in Appendix N. The Lanham Act, 15 U.S.C. § 1125 is set forth in Appendix O. The Anti-Injunction Statute, 28 U.S.C. 2283 is set forth in Appendix P. The Civil Rights Act, 42 U.S.C. §§ 1981 and 1982 are set forth in Appendix Q, and R respectively. Rule 60(b) of the Federal Rules of Civil Procedure is set forth in Appendix S. The

Rules of Decision Act, 28 U.S.C. § 1652 is set forth in Appendix T. The Federal Rules of the Judiciary and Judiciary Procedure, 28 U.S.C. §46, is set forth in Appendix U. 28 U.S.C. § 1254, Courts of appeals; certiorari; certified questions, is set forth in Appendix W. 28 U.S.C. § 1651(a) Writs, is set forth in Appendix X.

STATEMENT OF THE CASE

Petitioner Hwesu S. Murray is a citizen of the State of New York and a member of the Bar of the State of New York. He has been admitted to practice before the United States Court of Appeals for the Second Circuit and the United States District Courts for the Southern and Eastern Districts.

Murray practices law in the City of New York. He holds a Juris Doctor from the University of Michigan Law School, a Master of Science in Broadcast Journalism from the Columbia University Graduate School of Journalism, and a Bachelor of Arts in English as a writing major from Queens College.

Murray is also an experienced television producer. For more than 20 years Murray worked on nearly 700 network and local television program productions, inter alia, as Executive Producer, Producer, Director, Unit/Production Manager, Writer, and Reporter. Murray has written two motion picture screenplays. He worked for respondent National Broadcasting Co., Inc., ("NBC" herein), from 1979 to 1990 in the Sports Division.

NBC is a corporation organized and

existing under the laws of the State of Delaware with offices located in the City of New York. On information and belief, respondent Brandon Tartikoff, ("Tartikoff" herein), is a citizen of the State of Louisiana and is the former President of NBC's Entertainment Division.

This action derives from Murray's role as an independent television program supplier and his submission to respondents of his idea for a television series contained in "Father's Day" starring Bill Cosby.

The program is about a loving, African American father who is an attorney in his mid-40s and practices law in New York. He heads a middle-class family, is married to his college sweetheart, and has five

children. One child is away at college and plans to study law.

This program was based upon certain facts of Murray's own life and was presented by Murray to respondents in 1980, four years before the premiere of what came to be known as "The Cosby Show".

Murray presented "Father's Day" starring Bill Cosby to respondents in confidence. Murray did not contract with respondents for the mere disclosure of his idea. Instead, Murray told respondents that if they wanted to use "Father's Day" starring Bill Cosby, or any of the other four programs he submitted, he "expected to be the executive producer and the packager of the program, and to receive proper credits and compensation as the executive

producer and creator." (Appendix L at 5. Appendix J at 5).

Murray asserts that his idea contained in "Father's Day" starring Bill Cosby was used by respondents as a basis for "The Cosby Show".

On September 30, 1985 Murray commenced an action in the Southern District against respondents as well as The Carsey-Werner Company, (a California partnership which produced "The Cosby Show"), Marcia Carsey and Thomas Werner, (Executive Producers of "The Cosby Show", collectively "Carsey-Werner" herein).

Carsey-Werner asserted that it obtained the basis of "The Cosby Show" from NBC without any knowledge of Murray or of his submission to NBC of "Father's Day" starring Bill Cosby. Carsey-Werner asserted that it approached and hired

Bill Cosby, (who does not own any rights to the show), as Carsey-Werner's employee to star in the series after meetings with Tartikoff and other NBC executives. After these representations were made by Carsey-Werner to the District Court, Murray stipulated to dismiss his claims against Carsey-Werner, with the action for the rights to "The Cosby Show" continuing as against NBC and Tartikoff. (Appendix L at 3).

Murray presented eight attributes of his ownership of his idea to the District Court, including:

(i) his idea was novel as to the defendants, (Appendix J at 21-22);

(ii) he was the sole claimant of ownership of the rights to the show in court;

(iii) his creation, Father's Day starring Bill Cosby is the one and only document presented to the court as a basis of "The Cosby Show";

(iv) in 1980, (and confirmed by NBC in 1985), NBC admitted that Murray had "rights" in his idea which it had decided not to acquire. (Appendix J at 20);

(v) in 1985 NBC admitted again the Murray had "rights" in his idea, (Appendix J at 20);

(vi) NBC admitted that the reason why it normally returned submissions, as it did when it returned Murray's "Father's Day" starring Bill Cosby documents to him, was because the "material belong[ed] to the submitter." (Appendix J at 20-21);

(vii) Murray presented the original plastic cover which contained his

"Father's Day" starring Bill Cosby documents. A handwritten memo appears on the cover which states, "I'd like to save all the Hwesu Murray stuff together in submissions file;"

(viii) another handwritten memo appears on the same cover and says, "Submissions Domestic comedy about a black comedian turned lawyer (think Bill Cosby). Murray Mid-town practice. Suburban home, wife and children. Cosby. Passed. Bill Dannhauser.

Murray argued, inter alia, that New York does not require a showing of novelty in all cases regarding ideas. He argued that novelty was merely circumstantial evidence of property and that, where, as here, there exist other and direct evidence of his property

rights in his idea, novelty is not required.

In addition, Murray argued that even in cases where New York requires a showing of novelty New York protects ideas which are novel as to the defendant.

Despite Murray's factual and evidentiary presentation, and his arguments pertaining to, and citation of, existing New York law, the District Court granted summary judgment to NBC and Tartikoff and dismissed Murray's complaint. The District Court assumed that NBC and Tartikoff used Murray's idea, but ruled that Murray's idea was not novel in general form.

The District Court: ruled that novelty is required in all cases for protection of an idea under New York law; gave no

consideration to the attributes of ownership presented by Murray; and, did not discuss the novelty of Murray's idea as to the defendants.

On April 18, 1988, the Second Circuit affirmed the Order and Judgment of the District Court, with the Honorable George C. Pratt, Circuit Judge, dissenting, (Appendix J). In his dissent, Judge Pratt stated:

> To say, as a matter of law that an idea is not novel because it already exists in **general form** would be to deny governmental protection to any idea previously mentioned anywhere, at anytime, by anyone. **I do not believe New York defines "novelty" so strictly....**
>
> (W)here it was Murray's idea that NBC actually used, where there is **no evidence indicating NBC knew anything of the program idea until Murray submitted it**, compare Downey v. General Foods Corp. 31 N.Y. 2d 56, 60, 334 N.Y.S. 2d 874, 877-78, 286 N.E. 2d 257 (1972) (no novelty because defendant had "envisaged" and "utilized" plaintiff's idea for "years before the plaintiff submitted

> it") with Werlin v. Readers Digest Ass'n Inc. 528 F. Supp. 451, 466 (S.D.N.Y. 1981) (even though plaintiff's idea was in public domain, no evidence that defendant knew about or would have discovered the idea except through plaintiff's proposal; hence the **"idea was novel" as far as defendant was concerned**), and where substantial conflicting evidence exists as to the "novelty" of the idea under New York law, there seems to be at least a triable issue. (Emphasis added).

Ibid. at 21-22.

On June 1, 1988 the Second Circuit denied Murray's Petition for Rehearing which contained a suggestion for rehearing in banc (Appendix I).

On November 14, 1988 this Court denied Murray's Petition for Certiorari (Appendix H). On August 31, 1989 the District Court reiterated its decision of July 15, 1987, saying, "(T)he issue of whether Murray's 'Father's Day' proposal is property subject to legal protection under New York law was expressly decided.

In the federal action, I held that 'Father's Day' was not sufficiently novel to constitute such property" (Appendix G at 9).

The District Court enjoined "(t)he first five claims" of Murray's state action under 28 U.S.C. § 1651(a) and the Relitigation Exception to the Anti-Injunction Act, 28 U.S.C. § 2283. Ibid. at 10. The District Court added, "As to the rest of the complaint, the state proceedings shall be stayed only with respect to the issue of whether 'Father's Day' is protectible property." Id. at 10.

On July 8, 1993, the New York Court of Appeals expressly referred to the instant action involving these parties in Apfel v. Prudential Bache Securities, Inc. 600 NYS 2d 433, 81 NY 2d 470 (Ct. App. 1993). (Appendix V). Apfel, supra involved

disclosure of an idea in a case wholly unrelated to the instant action and about which Murray knew nothing.

Citing its own precedents, the New York Court of Appeals expressly rejected the view, (asserted by the federal courts in the instant action), that novelty is a discrete supplemental requirement (Appendix V at 13).

The New York Court of Appeals expressly rejected the view, (asserted by the federal courts in the instant action), that novelty is required in all cases involving disclosure of an idea (Appendix V at 16).

The New York Court of Appeals expressly reiterated, (contrary to the holdings by the federal courts in the instant action), that New York protects the rights of plaintiffs who show

"novelty as to the defendant" or "buyer" in their ideas (Appendix V at 14, 17).

The New York Court of Appeals analyzed two of its own ("our cases," Appendix V at 13), state precedents in which it dismissed idea claims for lack of novelty. It did not include an analysis of the facts of this federal action with its analysis of its own precedents. Nor did it state that Murray was required to show that his idea was novel, either in general form or as to respondents. (Appendix V at 13-18).

Cahill Gordon & Reindel, counsel for the respondents in the instant action, served as counsel for defendant Prudential Bache Securities, Inc. in Apfel, supra. Cahill Gordon, was, thereby, in the best possible position to argue the law of New York regarding the

protection of ideas as determined by the federal courts in the instant action.

On August 18, 1993, Murray brought a motion before the District Court, pursuant to Rule 60(b)(5) and (6) of the Federal Rules of Civil Procedure, to vacate the prior orders and judgment of the District Court. Murray argued, inter alia, that the prior decisions were contrary to the law of New York as reiterated by the New York Court of Appeals in Apfel, supra.

He also argued that "extraordinary circumstances" were present, and that the prior orders, opinions and judgments violated the outcome determination principle of Erie R. Co. v. Tompkins, 304 US 64, 58 S.Ct. 817, 82 L.Ed. 1188 (1938), and the Rules of Decision Act, 28 U.S.C. § 1652.

On November 22, 1993 the District Court denied Murray's motion (Appendix E). On June 16, 1994 the Second Circuit affirmed the District Court's order (Appendix B and Appendix D), despite the fact that the Second Circuit admitted:

> Apfel could be in accord with the Murray dissent's view of New York law as requiring only a showing that an idea was novel as to the defendant, and not that it was novel "in general."

(Appendix D at 6). Judge Pratt's dissent was based upon pre-existing New York law. (Appendix J at 19, 22).

On August 12, 1994 the Second Circuit denied Murray's Petition for Rehearing which contained a suggestion for rehearing in banc (Appendix A).

REASONS FOR GRANTING THE WRIT

Certiorari should be granted for three reasons:

(i) this Petition presents issues resolved by implication by this Court but not specifically and unequivocally decided by this Court (standard of review);

(ii) the Opinion below conflicts with previous decisions of this Court regarding a federal question (outcome determination, burden of error, and finality);

and, (iii) the Opinion below conflicts with the decisions of a state court of last resort pertaining to state law (novelty).

I. Standard of Review

This Court has held that "a court of appeals should review de novo a district court's determination of state law." Salve Regina College v. Russell 111 S.Ct.

1217, 1221 (1991). This Court held that such independent review, rather than a rule of deference, (e.g., "abuse of discretion" and "clearly erroneous" standards), is consistent with

> the principles underlying this Court's decision in Erie. The twin aims of the Erie doctrine - "discouragement of forum-shopping and avoidance of inequitable administration of the laws," Hanna v. Plumer, 380 U.S. 460, 468, 85 S.Ct. 1136, 1142, 14 L.Ed.2d 8 (1965) - are components of the goal of doctrinal coherence advanced by independent appellate review.

Ibid. at 1222.

The District Court's determination of state law was the focal point of the Second Circuit's appellate review in the instant action. However, it has been held that a circuit court reviews the denial of a motion brought pursuant to Rule 60(b)(5) and (6) under a rule of deference, i.e., by determining whether the district court abused its discretion.

Negron v. Peninsular Navigation Corp. 279 F. 2d 859 (2d Cir. 1960).

Admittedly, this Court did not explicitly state in Salve Regina, supra that independent appellate review is the proper standard in cases involving determination of state law upon adjudication of motions brought pursuant to Rule 60(b)(5) and (6).

However, the clear import of Salve Regina, supra is that in all cases involving determination of state law, including those made in adjudication of motions brought pursuant to Rule 60(b)(5) and (6), there is a "duty of appellate courts to provide meaningful (independent) review of such determination." Ibid. at 1222.

This Court should grant certiorari here to explicitly rule that independent

review, not a rule of deference, is the proper standard for circuit courts to review determinations of states' laws made by district courts in adjudication of motions brought pursuant to Rule 60(b) of the Federal Rules of Civil Procedure.

II. Outcome Determination

The Second Circuit overlooked the outcome determination principle of Erie, supra, (please see, also Guaranty Trust Co. of New York v. York 65 S. Ct. 1464, 326 U.S. 99 (1945), "(T)he outcome of the litigation in the federal court should be substantially the same... as it would be if tried in a state court"), Ibid. at 1470, and the Rules of Decision Act, 28 U.S.C. § 1652 (Appendix T) which states:

> **State laws as rules of decision**
> The laws of the several states, except where the Constitution or treaties of the United States or Acts of Congress

otherwise require, shall be regarded as rules of decision in civil actions in the courts of the United States, in cases where they apply.

The Second Circuit specified situations in which it "reasonably predicts how New York courts will rule on a question of state law." (Appendix D at 7). However, New York's protection of the rights of plaintiffs whose ideas are novel as to the defendants, argued by Murray in 1987 and again in 1993 on his Rule 60(b) motion, is clear and settled law, as held by the New York Court of Appeals in, inter alia, Ferber v. Sterndent Corp. 433 N.Y.S. 2d 85 (Ct. App. 1980): "(P)laintiff failed to produce any evidence to support his claim that the idea which he disclosed to defendants was **novel either in the abstract or as to them**," Ibid. at 86.

Novelty as to the buyer was reiterated in Apfel, supra (Appendix V at 15, 17).

The "reasonable predictions" of the District Court and the Second Circuit majority were wrong. Judge Pratt was correct in his Second Circuit dissent which ascertained and applied the law of New York. (Appendix J at 18-22).

Novelty is not required in all idea cases. Ideas are protected where there are other attributes of ownership. Ideas are protected under property-based claims when they are novel as to the buyer/defendant. Apfel, supra. (Appendix V at 17-18).

Under both the Erie doctrine and the Rules of Decision Act, it is not the function of the federal bench to determine, as the final authority,

whether the law of the state is "settled."

The state's highest court, not the federal court, is:

> the final arbiter of what is state law. When it has spoken, its pronouncement is to be accepted by federal courts as defining state law . . . .

West v. American Telephone & Telegraph Co. 61 S.Ct. 179, 183, 311 U.S. 223 (1940).

The New York Court of Appeals spoke in 1980 and reiterated in 1993 that New York protects ideas which are novel as to the defendant. New York also protects ideas under property-based claims, such as those asserted by Murray, where there are other attributes of ownership. The pronouncements of the New York Court of Appeals are to be accepted by the federal bench.

The decision by the Second Circuit conflicts with prior decisions by this Court. This Court has held that the obligation of federal courts is not merely "to predict" how state courts would decide an issue of state law. Indeed, the instant case demonstrates that a state court of last resort often already has decided the issue. Rather, as expressly held by this Court:

> State law is to be applied in the federal as well as the state courts and it is **the duty** of the former in every case **to ascertain** from all the available data what the state law is **and apply it** . . . . (Citing, inter alia, Erie, supra. Emphasis added).

West, supra at 183.

The District Court and the Second Circuit majority did not ascertain and apply the law of New York, i.e., that New York protects ideas which are novel as to

the defendant.[1] As such the decisions of the District Court and Second Circuit majority violate the Rules of Decision Act and the outcome determination principle mandated by Erie, supra.

This Court should grant certiorari because the Opinion below conflicts with prior decisions of this Court. This Court should hold that federal courts violate the Rules of Decision Act and the Erie

[1] Murray has always asserted that New York law is clear and settled, i.e., that New York protects ideas which are novel as to the defendant/buyer. New York has adopted a certification procedure. The District Court did not expressly state that New York law was unsettled. However, if the District Court was of the opinion that New York law was unsettled the District Court could have certified what it believed was an unsettled question of New York law to the New York Court of Appeals. The District Court chose not to certify any question to New York's highest court.

doctrine by making wrong "reasonable predictions" of settled and outcome-determinative state laws as those laws have been articulated by the states' highest courts.

III. Rule 60(b)(6)

Rule 60(b)(6) of the Federal Rules of Civil Procedure (Appendix S) states, in pertinent part:

> On motion and upon such terms as are just, the Court may relieve a party . . . from a final judgment, order, or proceeding for . . . (6) any other reason justifying relief from the operation of the judgment....

In affirming the District Court's denial of Murray's Rule 60(b)(6) motion the Second Circuit said that "extraordinary circumstances" were not present. (Appendix D at 7). However, New York's protection of ideas which are

novel as to the defendant/buyer is clear and settled law. (Appendix V at 17-18).

The 1987 opinion of the District Court, (Appendix L), which dismissed Murray's complaint for lack of novelty in his idea, was wrong at the time it was issued. Its reaffirmation was wrong in 1989. (Appendix G). As such, the wrong determination of New York law by the District Court violated the Erie doctrine, as well as the Rules of Decision Act.

In its review of Rule 60(b) this Court has held:

> In simple English, the language of the "other reason" clause, for all reasons except the five particularly specified, vests power in courts adequate to enable them to vacate judgments whenever such action is appropriate to accomplish justice.

Klapprott v. United States 69 S.Ct. 384, 390, 335 U.S. 601, 336 U.S. 942 (1949).

The Second Circuit has held that relief pursuant to Rule 60(b)(6) is properly granted where there are "extraordinary circumstances" or "where the judgment may work an extreme and undue hardship." DeWeerth v. Baldinger 1994 US APP LEXIS 29991.

This Court has held that an Erie violation is:

> as Mr. Justice Holmes said, "an unconstitutional assumption of powers by the Courts of the United States which no lapse of time or respectable array of opinion should make us hesitate to correct. (Emphasis added).

Erie, supra at 823.

Clearly, Rule 60(b)(6) is a tool by which district courts "correct" themselves. Admittedly, this Court did not explicitly state in Erie, supra, or Klapprott, supra, that an Erie violation constitutes "extraordinary circumstances" or "undue hardship."

However, the clear import or Erie, supra, and Klapprott, supra, is that an Erie violation must be corrected, (under Rule 60(b)(6) if necessary), to accomplish justice. No "respectable array of opinion" as to whether an Erie violation is "extraordinary" or constitutes "undue hardship," should make district courts hesitate to correct their erroneous determinations of states' laws. Ibid.

This Court should grant certiorari here to explicitly rule that an Erie violation is a violation of the Constitution which is, per se, a separate ground for relief under Rule 60(b)(6), in addition to being a basis for relief as an "extraordinary circumstance" and "undue hardship."

IV. Burden of Error

Throughout oral arguments and throughout his decision in this action Judge Jon O. Newman repeatedly referred to the decision of the Second Circuit in DeWeerth v. Baldinger 24 F. 3d 416 (2d Cir. 1994) as grounds for the basis of denying Murray's motion for relief pursuant to Rule 60(b). That opinion was subsequently revised on October 27, 1994. It is reported at 1994 US APP LEXIS 29991.[2]

Despite an articulate dissenting analysis of the Erie doctrine written by Judge Richard Owen, (United States District Judge for the Southern District

[2] Gerda Dorothea DeWeerth, plaintiff-appellee in DeWeerth, supra, has filed a Petition for a Writ of Certiorari to the Second Circuit which is also currently before this Court.

of New York, sitting by designation), the Second Circuit majority in DeWeerth, supra reversed a scholarly decision written by Judge Vincent L. Broderick. Judge Broderick had examined the Erie doctrine and employed Rule 60(b)(5) and (6) to grant relief because of an Erie violation. DeWeerth v. Baldinger 804 F. Supp. 539 (S.D.N.Y. 1992).

In DeWeerth, supra the Second Circuit held that a plaintiff who has brought his state claims into federal court has "exposed" himself to a possibility of error by the federal court not borne by those who bring the same state claims into state court. The majority stated:

> The very nature of diversity jurisdiction leaves open the possibility that a state court will subsequently disagree with a federal court's interpretation of state law.

DeWeerth, supra at 1994 US APP LEXIS 29991 p.* 21.

In his dissent Judge Owen, stated:

> (G)iven the majority's acknowledgement "that the [prior] DeWeerth panel's prediction was wrong[,]" I cannot accept the result here that Mrs. DeWeerth, who sought our federal diversity jurisdiction, must now suffer the consequences ... of the said soon-corrected prediction . . . . Should not the impact of Guggenheim rather be shouldered by us, notwithstanding the integrity of our error?

Ibid. at p.*10.

Guggenheim, (Solomon R. Guggenheim v. Lubell 77 N.Y. 2d 311, 567 N.Y.S. 2d 623 [1991]), was a decision by the New York Court of Appeals which demonstrated that in DeWeerth, as in the instant action, the Second Circuit and the Southern District were wrong in their prior determinations of New York law.

This Court has held that:

> Erie R. Co. v. Tompkins . . . expressed a policy that touches vitally the proper distribution of judicial power between State and

> federal courts . . . . (T)he outcome of the litigation in the federal court should be substantially the same, so far as legal rules determine the outcome of a litigation, as it would be if tried in a State court. The nub of the policy that underlies Erie R. Co. v. Tompkins is that for the same transaction the accident of a suit by a non-resident litigant in a federal court instead of a State court a block away, should not lead to a substantially different result.

Guaranty Trust Co. of New York v. York 65 S. Ct. 1464, 326 U.S. 99 (1945). The interest in "uniformity in the administration of the law of the State," has been repeatedly expressed by this Court. Erie, supra at 821.

The decision by the Second Circuit in the instant action, which reiterated its holding in DeWeerth, supra, conflicts with the prior decisions of this Court.

Placing the impact of erroneous determinations of state law by federal courts upon plaintiffs who bring their

state claims into federal court prevents uniformity in the administration of the law of the state. Plaintiffs who bring the same state claims into state court have not "exposed" themselves to such a burden.

The decisions by the Second Circuit in the instant action, based upon its decision in DeWeerth, supra, are precisely the "invasion of the authority of the state, and, to that extent, a denial of its independence," Erie, supra, at 823 which this Court repeatedly has held to be unconstitutional.

This Court should grant certiorari because the Opinion below conflicts with prior decisions of this Court. This Court should answer the question posed by Judge Owen and hold that, notwithstanding the integrity of the errors, pursuant to the

Rules of Decision Act and the Erie doctrine, the impact of erroneous determinations of states' laws by federal courts should be borne by the federal courts which make the errors and not by the litigants who bring their state claims into federal courts and are adversely affected by the errors.

V. Finality

The repeated reference by the Second Circuit to its prior decision in DeWeerth, supra, also implicates and applies to the instant action the DeWeerth panel's view that the interest of the federal judiciary in finality of litigation outweighs a violation of the outcome determination principle of Erie v. Tompkins. The Second Circuit stated in DeWeerth, supra, "There is nothing in

Erie that suggests that consistency must be achieved at the expense of finality . . . ." 1994 US APP LEXIS 29991 p. * 24.

This Court has held that an Erie violation is:

> an unconstitutional assumption of powers by the Courts of the United States which **no lapse of time** or respectable array of opinion should make us hesitate to correct. (Emphasis added).

Erie, supra at 823.

The decision by the Second Circuit in the instant action, which reiterated its holding in DeWeerth, supra, squarely conflicts with this Court's landmark ruling in Erie, supra. **"(N)o lapse of time,"** Ibid., (emphasis added), should prevent a federal district court from "correct(ing)," Id., its prior Erie violations.

This Court should grant certiorari because the Opinion below conflicts with

this Court's ruling in Erie, supra. "(T)he lower courts have invaded rights which . . . are reserved by the Constitution to the several states." Id. at 823.

This Court should state that in cases involving determination of states' laws in federal courts the interests of the states in the uniform administration of their laws and the prevention of forum shopping outweigh the interest of federal courts in finality of litigation which "no lapse of time or respectable array of opinion should make (this Court) hesitate to correct." Id. at 823.

VI. Rule 46(b)

The hearing date set for oral arguments before the Second Circuit was originally scheduled for June 3, 1994,

but was changed to June 2, 1994. The panel designated to hear oral arguments of all the cases calendared for June 2, 1994 consisted of Hon. Jon O. Newman, Chief Judge, Hon. J. Edward Lumbard, and Hon. James L. Oakes. Said panel did, in fact, hear oral arguments of the three appeals which preceded Murray's appeal.

Prior to the commencement of oral arguments for Murray's appeal Judge Oakes recused himself and departed from the courtroom. Thus, Judge Oakes was not a member of the panel upon this appeal. Oral arguments were heard before Judge Newman and Judge Lumbard. Judge Newman and Judge Lumbard affirmed the district court.

Section 46(b) of 28 U.S.C. (Appendix U) states, in pertinent part:

> In each circuit the court may authorize the hearing and

> determination of cases and controversies by separate panels, each consisting of three judges....

Applying Rule 46(b) it is apparent that Judge Newman and Judge Lumbard did not constitute a three-judge panel as specified by the statute. Two different panels and two different dates were scheduled for oral arguments on Murray's appeal.

Because of the abrupt and confusing manner in which Judge Oakes departed it was not clear to Murray or his counsel that Judge Oakes would not return to hear the appeal.

Chief Judge Newman could have rescheduled the hearing for later in the day or for another day and replaced Judge Oakes with another Judge. He did not do so.

This Court, in discussing Rule 46(b), has stated:

> (T)he Notes make it apparent that if the Revisers intended to do anything more than codify Textile Mills, their concern was with preserving the "tradition" of three-judge courts against any further inroads.

Western Pac. R. Corp. v. Western Pac. R. Co. 73 S. Ct. 656, 661, 345 U.S. 247 (1953). Thus, this Court has recognized the "tradition" of a three judge "panel" as contemplated by the statute.

In denying Murray's Petition for Rehearing the Second Circuit reviewed a Senate Report, rather than Western Pac., supra as cited by Murray, or any other citation of this Court. The Second Circuit stated:

> Since the pending appeal was assigned to a panel of three judges "in the first instance," one of whom thereafter recused himself, we conclude that disposition by the remaining two judges did not violate section 46(c).

Appendix A at 5-6.

The decision by the Second Circuit conflicts with the express language of Section 46(b) as well as with this Court's prior decision in Western, supra.

The issue is not whether two judges constitute a quorum under Section 46(c). The issue is whether two judges are a panel under Section 46(b). The statute specifies "hearing and determination" of cases, not "assign(ment)" of cases. The statute specifies a "panel" of three judges.

A "quorum," (as discussed by the Second Circuit in its reference to Section 46[c] in its denial of Murray's petition), is not a "panel." A "quorum" is a sub-group of a "panel." Murray's appeal never had a "panel" of three

judges for either "hearing" or "determination" of his appeal.

This Court should grant certiorari because the Opinion below conflicts with the express language of Section 46(b) and the prior decision of this Court.

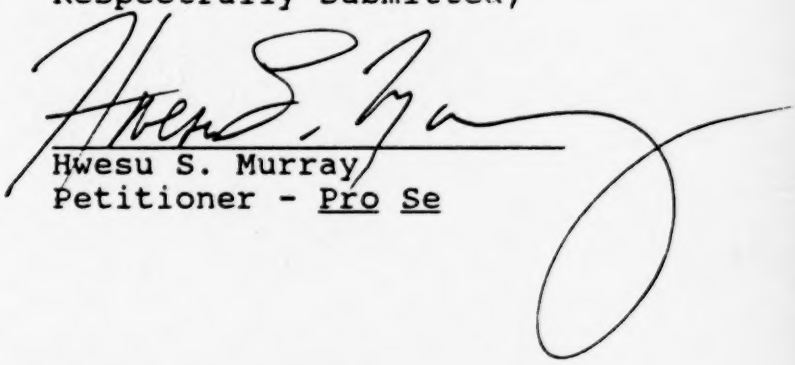
This Court should state that hearing and determination of an appeal by two-judges of a circuit court, without any participation whatsoever by a third judge, violates Rule 46(b) of the Federal Rules of the Judiciary and Judiciary Procedure and the policy interests expressed by this court.

CONCLUSION

For the reasons set forth above, a writ of certiorari should issue to review the judgment and opinion of the Court of Appeals in this matter.[3]

DATED: November 7, 1994

Respectfully submitted,



Hwesu S. Murray
Petitioner - Pro Se

[3] If this Court elects not to address the issues presented in this writ at the present time, it is requested that the writ issue and that the matter be remanded to the Court of Appeals for redetermination in light of this Court's opinions in Salve Regina, supra, Erie, supra, Guaranty Trust, supra, West, supra, and Western Pac., supra.

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 1566 -- August Term 1993

Petition for Rehearing Decided
Submitted: July 14, 1994 Aug. 12, 1994

Docket No. 93-9335

HWESU S. MURRAY,
Plaintiff-Appellant,

v.

NATIONAL BROADCASTING COMPANY,
INC. AND BRANDON TARTIKOFF,
Defendants-Appellees.

Before: Newman, Chief Judge, and LUMBARD, Circuit Judge.[4]

Petition for rehearing of order of summary affirmance in Murray v. NBC, No. 93-9335 (2d Cir. June 16, 1994).

---

4 Judge Oakes, who was originally a member of the panel, recused himself prior to oral argument.

APPENDIX A

Plaintiff-appellant challenges disposition of appeal by panel of two judges where third judge recused himself immediately prior to oral argument.

Petition denied.

JON O. NEWMAN, Chief Judge:

Appellant's petition for rehearing raises an institutional issue of court procedure that merits a brief opinion. The issue is whether a case may be validly adjudicated by a panel of two circuit judges under circumstances where one of the three judges originally assigned to hear the appeal recused himself immediately before oral argument. We conclude that the two-judge panel was authorized to proceed with the determination of the appeal. We therefore deny the petition for rehearing.

The appeal was originally assigned to a panel consisting of Judge Lumbard, Judge Oakes, and the writer. When the case was called for oral argument, Judge Oakes announced that he was recusing himself and left the bench. He has not participated in the adjudication of the appeal. Argument was held before the remaining two judges of the panel. The two-judge panel affirmed by summary order, invoking Rule § 0.14(b) of the Local Rules of the Second Circuit. Murray v. NBC, no. 93-9335 (2d Cir. June 16, 1994). Appellant's petition for rehearing includes the contention that disposition of the appeal by a two-judge panel violates both 28 U.S.C. § 46(b) (1988) and Local Rule § 0.14(b).

1. The statutory claim. 28 U.S.C. § 46(b) provides:

> In each circuit the court may authorize the hearing and determination of cases and controversies by separate panels, each consisting of three judges....

Though Congress enacted this provision to curtail the prior practice under which some circuits were routinely assigning some cases to two-judge panels, see S. Rep. No. 97-275, 97th Cong., 2d Sess. 9, reprinted in 1982 U.S.C.C.A.N. 11, 19, the legislative history makes clear that the statute was not intended to preclude disposition by a panel of two judges in the event that one member of a three-judge panel to which the appeal is assigned becomes unable to participate:

> The circuit courts could continue to adopt local rules permitting the disposition of an appeal in situations in which one of the three judges dies or becomes disabled and the remaining two agree on the disposition; but, in the first instance, all cases would be assigned to [a] panel of at least three judges.

Id. (emphasis added). The fact that the Senate Report identifies death or disability does not preclude unavailability because of late-discovered disqualification. Moreover, the Report makes no distinction between unavailability occurring before and after oral argument, emphasizing only that the appeal must be assigned "in the first instance" to a panel of three judges. This understanding of subsection 46(b) is explicitly borne out by subsection 46(d), which provides that "[a] majority of the number of judges authorized to constitute a court or panel thereof, as provided in paragraph (c) [authorizing panels of not more than three judges], shall constitute a quorum." 28 U.S.C. § 46(d) (1988) (emphasis added).

Since the pending appeal was assigned to a panel of three judges "in the first instance," one of whom thereafter recused himself, we conclude that disposition by the remaining two judges did not violate section 46(c).

2. The local rule claim. Appellant's contention is more plausibly supported by reliance on Local Rule § 0.14(b), which provides:

> Unless directed otherwise, a panel of the court shall consist of three judges. If a judge of a panel of the court which has heard argument or taken under submission any appeal, petition or motion shall be unable to continue with the consideration of such matter by reason of death, illness, resignation, or incapacity, or shall be relieved of such consideration at the judges request, the two remaining judges will determine the matter if they are in agreement and neither requests the designation of a third judge. If they are not in agreement or either requests such a designation, the Chief Judge will designate another circuit judge to sit in place of the judge who

> has become unable to continue or has been relieved.

2d Cir. R § 0.14(b) (emphasis added). Relying on the underscored words, appellant contends that since Judge Oakes recused himself prior to oral argument, Rule § 0.14(b) does not permit disposition by a two-judge panel.

Though we acknowledge the force of the argument based on the literal wording of the local rule, we conclude, as the Supreme Court said in a somewhat similar context, that this is a situation where "any sacrifice of literalness for common sense does no violence" to the purpose of the rule. See Textile Mills Securities Corp. v Commissioner of Internal Revenue, 314 U.S. 326, 334 (1941). The rule is obviously intended to permit the Court to conduct its business expeditiously despite the unanticipated unavailability

of one member of a three-judge panel. The literal terms of the rule would be satisfied had Judge Oakes sat through the oral argument and recused himself immediately thereafter. It makes no sense to apply the rule so mechanically as to require a different result where recusal occurs one-half hour earlier. Indeed, a rigid application of the local rule would arguably place it in tension with the statutory authority of two judges to constitute a quorum. See 28 U.S.C. § 46(d); see also 2d Cir. R. § 0.14(a) (specifying quorum of two judges).

We recognize that in the normal course of adjudicating appeals, consideration by three judges is preferable. See Ojeda Rios v. Wigen, 863 F. 2d 196, 199 (2d Cir. 1988) (Newman, J., chambers opinion) (noting that "on matters of substance,

where recourse is had to a court of appeals, it is normally preferable, absent an emergency, to have decision rendered by more than an individual judge"); United States v. Glover, 731 F. 2d 41, 51 (D..C. Cir. 1984) (Mikva, J., dissenting) (criticizing summary procedure permitting physical presence of only two of three judges on motions panel and expressing the view that "the more minds considering a matter, the better the ultimate resolution of the case is likely to be").

Yet, as Judge Mikva recognized in his Glover dissent, "as our dockets have become more full, a need for the efficient use of judicial resources has arisen, and . . . this quest for efficiency on occasion must be balanced against the need for judicial pluralism."

Id. When a judge becomes aware of a ground of disqualification just prior to oral argument, replacement of the recused judge would impair the court's efficiency and burden the parties with a return visit to the court. The argument would have to be postponed until a later date when a third judge was available and could become prepared to hear the appeal. That postponement will normally "move[] the case to a new panel, thereby wasting the time invested by the members of the original panel and burdening three additional judges with an appeal that could have been adjudicated by the original panel." United States v. Delia, 925 F. 2d 574, 575 (2d Cir. 1991) (Newman, J., chambers opinion).

These considerations impel us to apply Rule § 0.14(b) with sufficient

flexibility to permit disposition by two members of a three-judge panel, at least in those situations where the third judge become unavailable within such close proximity to the start of oral argument that replacement in time for maintaining the date of the scheduled argument is not practical. Where a replacement judge can be secured without burdening the court or the parties, it will normally be preferable to do so. Under the circumstances of this case, we conclude that the local rule does not preclude disposition of the appeal by the remaining two members of the panel.

Though not requested to do so by the appellant, we have considered whether a third judge should now be enlisted for the limited purpose of considering this petition for rehearing. The efficiency

concerns that weigh against requiring a third judge to hear the appeal itself are somewhat reduced at the rehearing stage, yet the need for a full panel of three judges is also somewhat reduced by virtue of the narrow focus of a rehearing petition submitted after plenary consideration of an appeal. On such petitions, oral argument is not permitted, and no response is received unless requested by the court. See Fed. R. App. P. 40(a). On balance, we conclude that the remaining two members of the panel explicitly authorized to constitute a quorum eligible to act, see 28 U.S.C. § 46(d), should adjudicate the petition without a third judge.

We have considered the substantive issues presented by the petition and

conclude that the petition should be denied.[5]

---

[5] Because this opinion concerns, in part, an administrative matter, the opinion has been circulated to all of the active judges of this Court prior to filing. See United States v. Burnett, 985 F. 2d 100, 102 n.1 (2d Cir. 1993).

JON 85-civ-7675 JUDGE CEDARBAUM

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

At a stated term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse in the City of New York, on the 16th day of June, one thousand nine hundred and ninety-four.

PRESENT: HONORABLE JON O. NEWMAN
Chief Judge.
HONORABLE J. EDWARD LUMBARD,
Circuit Judge.

HWESU S. MURRAY,

Plaintiff-Appellant,

v. 93-9335

NATIONAL BROADCASTING COMPANY, INC. AND BRANDON TARTIKOFF,

Defendants-Appellees.

APPENDIX B

ORDER

Appeal from the United States District Court for the Southern District of New York (Miriam Goldman Cedarbaum, Judge).

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York and was argued by counsel.

ON CONSIDERATION WHEREOF, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the order of the District Court be and it hereby is AFFIRMED.[6]

---

[6] Judge James L. Oakes, who was originally assigned as a member of the panel, has recused himself, and the appeal is being decided by the remaining two members of the panel, who are in agreement. See Local Rule § 0.14(b).

MANDATE

JON 85-civ-7675 JUDGE CEDARBAUM

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

At a stated term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse in the City of New York, on the 16th day of June, one thousand nine hundred and ninety-four.

PRESENT: HONORABLE JON O. NEWMAN
Chief Judge.
HONORABLE J. EDWARD LUMBARD,
Circuit Judge.

DOCKETED AS A JUDGMENT ON
10/6/94

HWESU S. MURRAY,

Plaintiff-Appellant,

v. 93-9335

NATIONAL BROADCASTING COMPANY, INC. AND BRANDON TARTIKOFF,

Defendants-Appellees.

APPENDIX C

ORDER

Appeal from the United States District Court for the Southern District of New York (Miriam Goldman Cedarbaum, Judge).

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York and was argued by counsel.

ON CONSIDERATION WHEREOF, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the order of the District Court be and it hereby is AFFIRMED.[7]

ISSUED AS MANDATE. 9/6/94

---

[7] Judge James L. Oakes, who was originally assigned as a member of the panel, has recused himself, and the appeal is being decided by the remaining two members of the panel, who are in agreement. See Local Rule § 0.14(b).

Murray v. NBC, Inc.

Docket No. 93-9335

Hwesu S. Murray appeals from the order denying Murray's motion for relief from judgment pursuant to Fed. R. Civ. P. 60(b). On appeal, Murray argues that the District Court abused its discretion in concluding that a recently rendered New York Court of Appeals decision did not constitute an "extraordinary new development" requiring that prior orders and judgments dismissing Murray's suit be vacated pursuant to Rule 60(b).

In the prior litigation that Murray now seeks to reopen, Murray alleged that defendant National Broadcasting Company, Inc., ("NBC") had used his proposal submitted in 1980 for a situation comedy

entitled "Father's Day," starring Bill Cosby, to develop the highly successful weekly series, The Cosby Show. See Murray v. National Broadcasting Co., 844 F. 2d 988, 990-991 (2d Cir. 1988). The plaintiff sought damages and declaratory and injunctive relief as the sole owner of all rights in and to the idea behind The Cosby Show. A divided panel of this Court affirmed the District Court's order granting summary judgment to the defendants on the ground that New York law does not protect an idea that is not "novel." Id. at 991, 994. Noting that Cosby himself had proposed a similar program idea 15 years before Murray presented his proposal to NBC, the majority held that "the mere idea for a situation comedy about a nonstereotypical black family . . . is not novel and thus

may be used with impunity." 844 F. 2d at 933.

Judge Pratt, in dissent, agreed that a showing of "novelty" was required under New York law, but expressed the view that a material issue of fact remained as to whether Murray's idea was "novel." 844 F. 2d at 995-97. According to Judge Pratt's analysis, the relevant inquiry regarding novelty was not merely whether an idea "already exists in general form," but whether the idea is novel "as far as the defendant was concerned." 844 F. 2d at 997.

Five years after we rendered our opinion in Murray, the New York Court of Appeals decided Apfel v. Prudential-Bache Sec., Inc., 81 N.Y. 2d 470, 600 N.Y.S. 2d 433 (1993), upon which Murray now relies in making his Rule 60(b) motion. In

Apfel, the plaintiffs had proposed to defendant Prudential-Bache a system for issuing municipal securities via computerized "book entries." From 1982 to 1985, Prudential-Bache implemented the system and paid the plaintiffs for the right to use the system pursuant to a contract. Thereafter Prudential-Bache refused to make further payments to the plaintiffs, arguing that the ideas conveyed had been in the public domain at the time of the sale agreement between the parties and therefore were not "novel." 600 N.Y.S. 2d at 433-34. In holding that the contract between the parties was enforceable even if the plaintiffs' ideas were not "novel," the Court of Appeals cited and distinguished the line of New York authority requiring

a showing of novelty, including our opinion in Murray:

> These cases do not support defendant's contention that novelty is required in all cases involving disclosure of ideas. Indeed, we have explicitly held that it is not (see, Keller v. American Chain Co., 255 N.Y. 94, 174 N.E. 74 [1931]). Downey [v. General Foods Corp., 31 N.Y.2d 56, 334 N.Y.S. 2d 874 (1972)], Soule [v. Bon Ami Co., 201 A.D. 794, 195 N.Y.S. 574 (1922), aff'd, 235 N.Y. 609, 139 N.E. 754 (1923)], and cases in that line of decisions [including Murray] involve a distinct factual pattern: the buyer and seller contract for disclosure of the idea with payment based on use, but no separate postdisclosure contract for use of the idea has been made . . . .
>
> Such transactions pose two problems for the courts. On the one hand, how can sellers prove that the buyer obtained the idea from them, and nowhere else, and that the buyer's use of it thus constitutes misappropriation of property? Unlike tangible property, an idea lacks title and boundaries and cannot be rendered exclusive by the acts of the one who first thinks it. On the other hand, there is no equity in enforcing a seemingly valid [predisclosure] contract when, in fact, it turns out upon disclosure that the buyer already possessed the idea . . . . A showing

> of novelty, at least novelty as to the buyer, addresses these two concerns.
>
> There are no such concerns in a transaction such as the one before us.

600 N.Y.S. 2d at 436 (latter emphasis added). Apfel could be in accord with the Murray dissent's view of New York law requiring only a showing that an idea was novel as to the defendant, and not that it was novel "in general." Nonetheless, in stating that "[a] showing of novelty, at least novelty as to the buyer" is required in cases such as Murray, 600 N.Y.S. 2d at 436 (emphasis added), Apfel does not finally resolve how New York courts should construe the novelty requirement. The Court in Apfel appeared to leave the question open, and its holding did not depend on resolution of the issue.

Even if Apfel had resolved the question of whether novelty is a "specific" or "general" requirement, we have recently held that where the Second Circuit reasonably predicts how New York courts will rule on a question of state law, a subsequent decision by the New York Court of Appeals that is contrary to the Second Circuit's prediction does not constitute an "extraordinary circumstance" under Rule 60(b)(6). See DeWeerth v. Baldinger, 1994 WL 187024, at *7 (2d Cir. May 16, 1994); see also Matarese v. LeFevre, 801 F. 2d 98, 106 (2d Cir. 1986), cert. denied, 480 U.S. 908 (1987). The majority in Murray reasonably construed New York's novelty requirement as general on the basis of New York precedents that did not specifically discuss the issue but from

which such a view could be derived. See Murray, 884 F. 2d at 992-93 (citing Downey, 334 N.Y.S. 2d at 877; Surplus Equipment, Inc. v. Xerox Corp., 120 A.D. 582, 502 N.Y.S. 2d 491, 4982 (2d Dep't 1986); Educational Sales Programs, Inc. v. Dreyfus Corp., 65 Misc. 2d 412, 317 N.Y.S. 2d 840, 844 (Sup. Ct. N.Y. Cty.)). Indeed, Murray cited a virtually indistinguishable New York case involving an action for the misappropriation of an idea for a television show, in which the Court had held: "Ideas such as those presented by the plaintiff [for a television cartoon involving a birdman superhero] are in the public domain and may be used by anyone with impunity." Ed Graham Productions, Inc. v. National Broadcasting Co., 75 Misc. 2d 334, 347 N.Y.S. 766, 769 (Sup. Ct. N.Y. Cty.

1973). In DeWeerth, the New York Court of Appeals had explicitly held that our prediction regarding New York law was incorrect; in the pending case, the plaintiff's argument for a Rule 60(b)(6) motion is even weaker, where the New York Court of Appeals has distinguished our prior opinion, but not indicated that our analysis was incorrect.

Finally, under Rule 60(b)(5), a court may relieve a party from a judgment where "it is no longer equitable that the judgment should have prospective application." The plaintiff here, as in DeWeerth, argues that the judgment has prospective application, even though it is not an injunction, because it prevents him from litigating the issues determined by it. We rejected this precise argument in DeWeerth, and held specifically that

the res judicata effect of a prior judgment does not justify relief under Rule 60(b)(5), even where there is a subsequent change in the law. See DeWeerth, 1994 WL 187024, AT *9 (citing Twelve John Does v. District of Columbia, 841 F. 2d 1133, 1139-40 (D.C. Cir. 1988); Picco v. Global Marine Drilling Co., 900 F. 2d 846, 851 (5th Cir. 1990). As the District Court correctly noted, Apfel is not inconsistent with our prior decision in Murray, nor does it indicate that New York law has since changed. But even if New York law had changed or developed since Murray, the plaintiff's Rule 60(b)(5) motion would nonetheless fail under the reasoning of our recent decision in DeWeerth.

/s/ Jon O. Newman
Chief Judge

/s/ J. Edward Lumbard
Circuit Judge

N.B. THIS SUMMARY ORDER WILL NOT BE PUBLISHED IN THE FEDERAL REPORTER AND SHOULD NOT BE CITED OR OTHERWISE RELIED UPON IN UNRELATED CASES BEFORE THIS OR ANY OTHER COURT.

EDITOR'S NOTE

THE FOLLOWING PAGES WERE POOR HARD COPY AT THE TIME OF FILMING. IF AND WHEN A BETTER COPY CAN BE OBTAINED, A NEW FICHE WILL BE ISSUED.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------X
HWESU S. MURRAY,
Plaintiff,

-against-

NATIONAL BROADCASTING COMPANY, INC.

Defendant.
----------X

MEMORANDUM OPINION
AND ORDER
85 Civ. 7675

CEDARBAUM, J.

Hwesu S. Murray moves under Fed. R. Civ. P. 60(b) for reconsideration of this court's 1987 summary judgment. See Murray v. National Broadcasting Co., Inc. 671 F. Supp. 236 (S.D.N.Y. 1987), aff'd, 884 F. 2d 988 (2d Cir. 1988), cert. denied 488 U.S. 955 (1988). Murray argues that relief from the judgment in this action

is warranted because of an "extraordinary new development." For the reasons discussed below the motion is denied.

As a procedural matter, it is not clear that a motion under Rule 60(b) is either proper or timely. It is not necessary to reach that question since, in any event, Murray has failed to demonstrate any "new circumstances" that justify relief.

Murray asserts that he created the television program, The Cosby Show and is entitle to compensation from the National Broadcasting Company ("NBC"). Murray's complaint in this action was based on the alleged similarity between The Cosby Show and a proposal Murray had previously submitted to NBC for a program entitled "Father's Day." In 1987, summary judgment was entered for NBC on the ground that

New York law required a plaintiff in Murray's position to demonstrate that his idea was novel and that Murray could not do so.

Murray now contends that the New York Court of Appeals' recent ruling in Apfel v. Prudential-Bache Securities, Inc. 81 N.Y. 2d 470, 616 N.E. 2d 1095, 600 N.Y.S. 2d 433 (1993) shows that the grant of summary judgment was based on an erroneous reading of New York law. Specifically, Murray argues that Apfel held that New York does not now and did not in 19987 require him to demonstrate that his idea was novel in order to maintain any of his claims. Murray misreads Apfel.

Apfel concerned facts very different from those alleged in this action. There, the plaintiff offered an idea to the

defendant. The parties negotiated for a month, and then entered into a written contract giving the defendant the right to use the plaintiff's idea for six years. It was undisputed that the defendant did in fact use plaintiff's idea for approximately three years. Defendant then refused to make further payments under the contract, and argued that it was not obliged to do so because the plaintiff's idea was not novel.

In preserving the plaintiff's claim for breach of contract the Apfel court carefully distinguished the facts before it from the "idea submission" type of case brought by Murray:

> Such transactions pose two problems for the courts. On the one hand, how can sellers prove that the buyer obtained the idea from them, and nowhere else, and that the buyer's use of it thus constitutes misappropriation of property? Unlike tangible property, an idea lacks title

and boundaries and cannot be rendered exclusive by the acts of the one who first thinks it. On the other hand, there is no equity in enforcing a seemingly valid contract when, in fact, it turns out upon disclosure that the buyer already possessed the idea. In such instances, the disclosure, though freely bargained for, is manifestly without value. A showing of novelty, at least novelty as to the buyer, addresses these two concerns. Novelty can then serve to establish both the attributes of ownership necessary for a property-based claim and the value of the consideration -- the disclosure -- necessary for contract-based claims.

There are no such concerns in a transaction such as the one before us. Defendant does not claim that it was aware of the idea before plaintiffs disclosed it but, rather, concedes that the idea came from them. When a seller's claim arises from a contract to use an idea entered into after the disclosure of the idea, the question is not whether the buyer misappropriated property from the seller, but whether the idea had value to the buyer and thus constitutes valid consideration. In such a case, the buyer knows what he or she is buying and has agreed that the idea has value, and the Court will not ordinarily go behind that determination. The lack of novelty, in and of itself, does not demonstrate a lack of value (see, Keller v. American

Chain Co., 255 N.Y. 94, 174 N.E. 74, supra).

Apfel, 600 N.Y.S. 2d at 436. Thus, Apfel expressly differentiates between the situation where the parties enter into a contract for use of an idea after full disclosure of the idea and those such as Murray's where there never was a post-disclosure contract for use. See Murray v. National Broadcasting Co., Inc., 671 F. Supp. 236, 245 (S.D.N.Y. 1987) (discussing whether there was a contract between Murray and NBC).

Apfel does not change the law applicable to Murray's claim. Accordingly, there are not "new circumstances" that entitle him to relief and the motion must be denied.

SO ORDERED.

Dated: New York, New York
November 22, 1993

/s/ Miriam Goldman Cedarbaum
MIRIAM GOLDMAN CEDARBAUM
United States District Judge

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
----------X
HWESU S. MURRAY,
Plaintiff,

-against-

NATIONAL BROADCASTING COMPANY, INC., et al.,

Defendants.
----------X

FINAL JUDGMENT OF
PERMANENT INJUNCTION
85 Civ. 7675

Defendant National Broadcasting Company, Inc. ("NBC"), having moved this Court pursuant to 28 U.S.C. §§1651 and 2283 to enjoin plaintiff Hwesu S. Murray from relitigating the final judgment of this Court in a certain action styled Murray v. National Broadcasting Company, Inc., No. 13100/89 (IAS Part 31, Beverly S. Cohen, J.), pending before the Supreme Court of New York, County of New York

("the State Court Action");

AND this Court, having rendered its opinion (No. 64,817) on the 31st of August, 1989; NOW it is hereby

ORDERED, ADJUDGED and DECREED that plaintiff Hwesu S. Murray is enjoined from prosecuting, and further proceedings in the State Court Action are stayed with respect to, plaintiff's claims for conversion, misappropriation, breach of implied contract, fraud and unjust enrichment (designated as claims three, four, six, seven and eight respectively in the Amended Complaint in the State Court Action). The remaining claims in the State Court Action are stayed with respect to the issue of whether "Father's Day" is protectible property, and plaintiff Hwesu S. Murray is enjoined from relitigating this Court's holding

that plaintiff's "Father's Day" proposal is not property subject to legal protection under New York law.

IT IS FURTHER ORDERED that counsel for NBC is directed to file a copy of this judgment with the Supreme Court of the State of New York, County of New York within five days of its entry; and

IT IS FURTHER ORDERED that the Clerk shall enter this as a final judgment of the Court, and shall serve copies of this Judgment by mail on all persons on the annexed service list.

Dated: New York, New York
September 19, 1989

/s/ Miriam Goldman Cedarbaum
Miriam Goldman Cedarbaum
United States District Judge

Hwesu S. MURRAY, petitioner, v.
NATIONAL BROADCASTING COMPANY,
INC., et al. No. 88-375

Case below, 671 F. Supp 236; 844 F. 2d 988.

Petition for writ of certiorari to the United States Court of Appeals for the Second Circuit.

Nov. 14, 1988. Denied.

APPENDIX H

Hwesu S. MURRAY, Plaintiff,

v.

NATIONAL BROADCASTING COMPANY, INC., Brandon Tartikoff, the Carsey-Werner Company, Marcia Carsey and Thomas Werner, Defendants.

No. 85 Civ. 7675 (MGC)

United States District Court
S.D. New York.

Aug. 31, 1989

Hwesu S. Murray, Mt. Vernon, N.Y., pro se.

Cahill Gordon & Reindel by Susan Buckley, Lisa Pearson, James Sandnes, New York City, for defendant National Broadcasting Co., Inc.

CEDARBAUM, District Judge.

On July 15, 1987 this Court granted summary judgment for defendant National Broadcasting Company, Inc. ("NBC") and against plaintiff Hwesu S. Murray. See Murray v. National Broadcasting Company,

Inc. 671 F. Supp. 236 (S.D.N.Y. 1987), aff'd, 844 F. 2d 988 (2d Cir.), cert denied, - U.S. - , 109 S. Ct. 391, 102 L.Ed. 2d 380 (1988). NBC now moves pursuant to 28 U.S.C. §§ 1651 and 2283 to enjoin Murray from prosecuting a new action entitled Murray v. National Broadcasting Company, Inc., Index No. 13100/89, in the Supreme Court of New York County. NBC argues that an injunction should issue because Murray is raising in his new state court action the same claims that were previously decided in this case. Murray argues that 28 U.S.C. § 2283 bars this Court from enjoining a state court proceeding, and that in any event an injunction is inappropriate because the claims in the

state court proceeding were not decided by this Court.[8]

28 U.S.C. § 1651(a) provides:

> The Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law.

But the Anti-Injunction Act, 28 U.S.C. § 2283, generally prohibits a federal court from enjoining state court proceedings. The Act provides:

> A court of the United States may not grant an injunction to stay proceedings in a State court except as expressly authorized by Act of Congress, or where necessary in aid of its jurisdiction, or to protect or effectuate its judgments.

The Act sets out three exceptions to the general rule barring a federal court

---

[8] Plaintiff, a law school graduate, was represented by counsel throughout the prior proceedings in this case. In responding to this post-judgment motion, he appears for the first time without counsel.

from enjoining state court proceedings. The third exception, "to protect or effectuate its judgments" (commonly referred to as the "relitigation exception"), is applicable here. In Chick Kam Choo v. Exxon Corp., 486 U.S. 140, 108 S.Ct. 1684, 100 L.Ed. 2d 127 (1988), the Supreme Court discussed the underlying rationale of the relitigation exception. The Supreme Court noted that the exception "was designed to permit a federal court to prevent state litigation of an issue that previously was presented to and decided by the federal court. It is founded in the well-recognized concepts of res judicata and collateral estoppel." Id. 108 S.Ct. at 1690. The Court held that "an essential prerequisite for applying the relitigation exception is that the claims

or issues which the federal injunction insulates from litigation in state proceedings actually have been decided by the federal court." Id. This prerequisite to the application of the relitigation exception is "strict and narrow." Id.

NBC argues that all the claims that Murray is asserting in his state court action have already been decided in this case. In the complaint in this action, Murray alleged that NBC had based the weekly series The Cosby Show on a proposal entitled "Father's Day" that he had submitted to NBC. Murray asserted the following claims arising from NBC's alleged appropriation of his "Father's Day" proposal: (1) misappropriation; (2) conversion; (3) breach of implied contract; (4) unjust enrichment; (5) fraud; (6) false designation of origin

under the Lanham Act, 15 U.S.C. §1125; and (7) race discrimination under 42 U.S.C. §§ 1981 and 1982. He sought, inter alia, a declaratory judgment that he "is the sole owner of all rights in and to the idea, proposal and property of . . . Father's Day and all exploitations thereof." In granting NBC's motion for summary judgment, I determined that "Father's Day" was not property subject to legal protection under New York law.

In the state action, Murray again alleges that NBC based The Cosby Show on his "Father's Day" proposal. He asserts claims of (1) misappropriation; (2) conversion; (3) breach of implied contract; (4) unjust enrichment; (5) fraud; (6) breach of duty of care; (7) unfair competition; and (8) race discrimination under the New York State

Constitution. Murray seeks the same relief that he sought in the federal action. He also seeks a declaratory judgment that his rights "encompass all right, title and interest in and to the "Spin-Off" of The Cosby Show, A Different World.

The first five claims in the new action are the same claims previously decided by this Court, and thus fall squarely within the protection of the relitigation exception. Murray attempts to distinguish the new claims on the ground that they are not based on the idea embodied in his "Father's Day" proposal, but on other forms of property for which he is entitled to protection. These alleged forms of property include original treatment, story, literary property, program format, narrative

synopsis and literary material. These words are just different terms for what I have described as an "idea" in my opinion granting summary judgment for NBC. Murray cannot circumvent a final judgment of this Court simply by using different word to characterize his "Father's Day" proposal. Therefore, an injunction to stay proceedings on the first five claims of Murray's new suit is warranted.

The remaining three claims in the state court action were not asserted in the federal action, and therefore were not expressly decided. While these claims are barred by the federal doctrine of res judicata because they could have been raised previously in this case, see Federated Department Stores, Inc. v. Moitie, 452 U.S. 394, 398, 101 S.Ct. 2424, 2428, 69 L.Ed. 2d 103 (1981),

"[t]he relitigation exception does not protect the full res judicata effect of a federal court's judgment; rather, it protects only matters that actually have been decided by a federal court." Staffer v. Bouchard Transp. Co., Inc. 878 F. 2d 638, 643 (2d Cir. 1989). However, the issue of whether Murray's "Father's Day" proposal is property subject to legal protection under New York law was expressly decided. In the federal action, I held that "Father's Day" was not sufficiently novel to constitute such property. In order to protect the collateral estoppel effect of the judgment, this issue may not be relitigated in Murray's Supreme Court suit.

For the reasons discussed above, an injunction shall issue to stay

proceedings in Murray v. National Broadcasting Company, Inc. Index No. 13100/89, in the Supreme Court of New York County on the first five claims of the complaint. As to the rest of the complaint, the state proceedings shall be stayed only with respect to the issue of whether "Father's Day" is protectible property.

Settle judgment on notice by September 7, 1989.

SO ORDERED.

Hwesu S. MURRAY, petitioner, v.
NATIONAL BROADCASTING COMPANY,
INC., et al. No. 88-375

Case below, 671 F. Supp 236; 844 F. 2d 988.

Petition for writ of certiorari to the United States Court of Appeals for the Second Circuit.

Nov. 14, 1988. Denied.

APPENDIX H

UNITED STATES COURT OF APPEALS
FOR THE
SECOND CIRCUIT

At a stated term of the United States Court of Appeals, in and for the Second Circuit, held at the United States Courthouse, in the City of New York, on the 1st. day of June one thousand nine hundred and eighty-eight

---

HWESU S. MURRAY,
Plaintiff-Appellant,

-v-

NATIONAL BROADCASTING COMPANY, INC.,
BRANDON TARTIKOFF,
THE CARSEY-WERNER COMPANY, a California partnership,
MARCIA CARSEY and THOMAS WERNER,
Defendants.

NATIONAL BROADCASTING COMPANY, INC. and
BRANDON TARTIKOFF,
Defendants-Appellees.

Docket No. 87-7695

A petition for rehearing containing a suggestion that the action be heard in banc having been filed herein by counsel for the Appellant MURRAY.

APPENDIX I

Upon Consideration by the panel that heard the appeal, it is Ordered that said petition for rehearing is DENIED.

It is further noted that the suggestion for rehearing in banc has been transmitted to the judges of the court in regular active service and to any other judge that heard the appeal and that no such judge has requested that a vote be taken thereon.

Elaine B. Goldsmith
Clerk

UNITED STATES COURT OF APPEALS
FOR THE
SECOND CIRCUIT

At a stated Term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse in the City of New York, on the 18th day of April one thousand nine hundred and eighty-eight.

Present: Hon. RALPH K. WINTER,
Hon. GEORGE C. PRATT,
Hon. FRANK X. ALTIMARI,

Circuit Judges,

HWESU S. MURRAY,
Plaintiff-Appellant,

Docket
No.87-7695

-v-

NATIONAL BROADCASTING
COMPANY, INC. and
BRANDON TARTIKOFF,
Defendants-Appellees.

Appeal from the United States District Court for the Southern District of New York

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now hereby ordered, adjudged, and decreed that the ORDER of said District Court be and it hereby is affirmed in accordance with the opinion of this court with costs to be taxed against the appellant.

Elaine B. Goldsmith,
Clerk

By: EDWARD J. GUARDARO,
Deputy Clerk

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 515—August Term, 1987

(Argued: February 1, 1988 Decided: April 18, 1988)

Docket No. 87-7695

HWESU S. MURRAY,

Plaintiff-Appellant,

—v.—

NATIONAL BROADCASTING COMPANY, INC. and BRANDON TARTIKOFF,

Defendants-Appellees.

Before:

WINTER, PRATT and ALTIMARI,

Circuit Judges.

Appeal from an order of the United States District Court for the Southern District of New York (Miriam Goldman Cedarbaum, *Judge*) granting defendants-appellees' motion for summary judgment and dismissing the complaint for failure of plaintiff-appellant to demonstrate protectible interest in an idea for a proposed television series.

Affirmed.

Judge Pratt dissents in a separate opinion.

JOSEPH J. SANTORA, New York, N.Y. (Michael S. Allen, Santora & McKay, New York, N.Y., of counsel), *for plaintiff-appellant.*

THOMAS R. JONES, New York, N.Y. (Susan Buckley, Lisa Pearson, Ellen L. Weintraub, Cahill Gordon & Reindel, New York, N.Y., of counsel), *for defendants-appellees.*

ALTIMARI, *Circuit Judge*:

It was almost a generation ago that a young comedian named Bill Cosby became the first black entertainer to star in a dramatic network television series. That program, *I Spy*, earned Cosby national recognition as an actor, including three Emmy Awards (1966, 1967 and 1968) for best performance in a dramatic series, and critical acclaim for the portrayal of a character without regard to the actor's race. Although keenly aware of the significance of his achievement in breaking the color line on network television, Cosby set his sights then on "accomplish[ing] something more significant for the Negro on TV."[1] In an interview in 1965, he envisioned a different approach to the situation comedy genre made popular by *The Dick*

1 Lardine, *Looking to the Future: Bill Cosby Has Dreams of an All-Negro TV Series*, New York Daily News, Sept. 19, 1965, Sunday Magazine, at 6.

Van Dyke Show. The *Daily News* described Cosby's "dream" series as not

> unlike other situation comedies. There'll be the usual humorous exchanges between husband and wife. . . . Warmth and domestic cheerfulness will pervade the entire program.
>
> Everything on the screen will be familiar to TV viewers. But this series will be radically different. Everyone in it will be a Negro.
>
> * * *
>
> . . . "I'm interested in proving there's no difference between people," [explained Cosby]. "My series would take place in a middle-income Negro neighborhood. People who really don't know Negroes would find on this show that they're just like everyone else."[2]

Nearly twenty years later, on September 20, 1984, Cosby's dream for a "color-blind" family series materialized with the premier of *The Cosby Show*—a situation comedy about a family known as the Huxtables. Bill Cosby stars in the leading role as Heathcliff ("Cliff") Huxtable together with his TV wife Clair and their five children.

Plaintiff-appellant Hwesu Murray, an employee of defendant-appellee ("NBC"), claims in the instant case that in 1980, four years prior to the premier of *The Cosby Show* on NBC's television network, he proposed to NBC a "new" idea for a half-hour situation comedy starring Bill Cosby. In a written proposal submitted to NBC, Murray described his series called "Father's Day" as "wholesome . . . entertainment"

---

2 *Id.*

> which will focus upon the family life of a Black American family. . . . The leading character will be the father, . . . a devoted family man and a compassionate, proud, authority figure. . . .
>
> * * *
>
> . . . The program may well resemble "Father Knows Best" and "The Dick Van Dyke Show." It will be radically different from "The Jeffersons," "Good Times," "Different Strokes," and "That's My Mama." The father will not be a buffoon, a supermasculine menial, or a phantom. . . . The program will show how a Black father can respond with love . . . , and will present . . . a closely-knit family. . . .

On this appeal from an order of the United States District Court for the Southern District of New York (Cedarbaum, *J.*) granting defendants-appellees' motion for summary judgment, we are asked to determine whether, under New York law, plaintiff has a legally protectible interest in his idea which he maintains was used by NBC in developing *The Cosby Show*. Because we agree with the district court's conclusion that, under New York law, lack of novelty in an idea precludes plaintiff from maintaining a cause of action to prevent its unauthorized use, we affirm the district court's order granting summary judgment and dismissing the complaint.

BACKGROUND

Plaintiff Hwesu S. Murray has been employed in the television industry for the past ten years. Murray holds a Bachelor of Arts degree in English and graduate degrees in broadcast journalism and law. In 1979, defendant-

appellee NBC hired Murray as a Unit Manager and financial analyst in its sports division. A year later, plaintiff contacted an NBC official outside of NBC Sports about some "extracurricular" ideas he had for future television programs, and the official apparently instructed him to submit his proposals in writing. Soon thereafter, in June 1980, plaintiff submitted five written proposals, one of which was entitled "Father's Day." Murray allegedly informed NBC that if it were interested in any of the proposals, he expected to be named executive producer and to receive appropriate credit and compensation as the creator of the eventual program. Plaintiff also allegedly told NBC that his ideas were being submitted in confidence.

Murray's proposal for "Father's Day" is the subject matter of this action. The NBC official who originally had requested it encouraged Murray to "flesh out" his proposal and submit it to Josh Kane, then an NBC vice-president and a top official with NBC Entertainment, the division of NBC responsible for network television programming. Plaintiff thereupon submitted to Kane an expanded proposal for "Father's Day." In a two-page memorandum dated November 1, 1980, Murray first suggested that Bill Cosby play the part of the father. At that time, plaintiff also made several other casting suggestions, including roles for a working spouse and five children, and again indicated that the proposed series would "combine humor with serious situations in a manner similar to that of the old *Dick Van Dyke Show*" but "with a Black perspective." Murray's expanded proposal concluded with the observation that, "[l]ike *Roots*, the show will attempt to depict life in a [closely-knit] Black family, with the addition of a contemporary, urban setting."

NBC apparently decided not to pursue Murray's proposal. On November 21, 1980, Kane returned the

"Father's Day" submission to plaintiff and informed him that "we are not interested in pursuing [its] development at this time."

Four years later, in the fall of 1984, *The Cosby Show* premiered on NBC. *The Cosby Show* is a half-hour weekly situation comedy series about everyday life in an upper middle-class black family in New York City. The father, played by Bill Cosby, is a physician, and the mother is a lawyer. In its first season, *The Cosby Show* soared to the top of the Nielsen ratings and has become one of the most popular programs in television history. The show is highly regarded by critics and is also a huge commercial success.

Less than a month after viewing the premier, plaintiff wrote to NBC to advise it that *The Cosby Show* had been derived from his idea for "Father's Day." In January 1985, NBC responded through its Law Department, stating its position that " 'Father's Day' played absolutely no role in the development of 'The Cosby Show' . . . [since m]uch of the substance and style of 'The Cosby Show' is an outgrowth of the humor and style developed by Bill Cosby throughout his career." NBC further maintained that *The Cosby Show* was developed and produced by The Carsey-Werner Company ("Carsey-Werner"), an independent production company and the executive producers of the series.

In his complaint, plaintiff claimed that *The Cosby Show*'s portrayal of a strong black family in a nonstereotypical manner is the essence of "Father's Day," and "[i]t is that portrayal of Black middle-class life that originated with plaintiff." Murray also alleged that Josh Kane showed plaintiff's "Father's Day" proposal to his superiors at NBC, including defendant-appellee Brandon Tartikoff, President of NBC Entertainment. Tartikoff,

together with Cosby and Carsey-Werner, have been credited with the creation and development of *The Cosby Show*. Plaintiff maintains that NBC and Tartikoff deliberately deceived plaintiff into believing that NBC had no interest in "Father's Day" and then proceeded to develop and eventually produce plaintiff's idea as *The Cosby Show*.

Plaintiff's complaint stated a number of causes of action arising out of defendants' alleged appropriation of his idea. Among those relevant to this appeal are plaintiff's claims of race discrimination under 42 U.S.C. §§ 1981 and 1982, false designation of origin under the Lanham Act, 15 U.S.C. § 1125, and various state law claims, including misappropriation, conversion, breach of implied contract, unjust enrichment and fraud. Plaintiff sought, *inter alia*, damages and declaratory and injunctive relief as the "sole owner of all rights in and to the idea, proposal and property [known as] 'Father's Day.' "

In a decision dated July 15, 1987, 671 F. Supp. 236 (S.D.N.Y.), the district court considered whether plaintiff's idea was "property" that could be subject to legal protection. Since the parties agreed that New York law applied to plaintiff's claims, the district court proceeded to analyze defendants' motion for summary judgment in light of the New York Court of Appeals decision in *Downey v. General Foods Corp.*, 31 N.Y.2d 56, 334 N.Y.S.2d 874, 286 N.E.2d 257 (1972). In *Downey*, the New York court established the general proposition that "[l]ack of novelty in an idea is fatal to any cause of action for its unlawful use." 334 N.Y.S.2d at 877 (quoting *Bram v. Dannon Milk Prods., Inc.*, 33 A.D.2d 1010, 307 N.Y.S.2d 571, 571 (1st Dep't 1970)) (emphasis added). The district court, therefore, determined that the "sole issue" before it

was the novelty of plaintiff's "Father's Day" proposal, and accordingly assumed, for purposes of defendants' motion, that defendants in fact used plaintiff's idea in the development of *The Cosby Show*. *See Ed Graham Productions, Inc. v. National Broadcasting Co.*, 75 Misc. 2d 334, 347 N.Y.S.2d 766, 769 (Sup. Ct. N.Y. Cty. 1973) (even assuming defendant used plaintiff's idea, plaintiff may not recover if idea is "wholly lacking in novelty").

In focusing on the novelty of plaintiff's proposal, the district court determined that Murray's idea was not subject to legal protection from unauthorized use because "Father's Day"

> merely combined two ideas which had been circulating in the industry for a number of years—namely, the family situation comedy, which was a standard formula, and the casting of black actors in nonstereotypical roles.

The district court found that, to the extent "Fathers Day," in Murray's words, "may well resemble 'Father Knows Best' and 'The Dick Van Dyke Show,' " it could not be considered novel. In addition, the portrayal of a black family in nonstereotypical roles, according to the court, precluded a finding of novelty because 1) the television networks already had cast some black actors, including Bill Cosby himself, e.g., *I Spy* (1965-68), *The Bill Cosby Show* (1969-71), and *Fat Albert and the Cosby Kids* (1972-79), in such roles, and 2) the idea of combining the family situation comedy theme with an all-black cast already had been suggested publicly by Bill Cosby some twenty years before the creation of *The Cosby Show*. The district court also determined that Murray's casting of Bill Cosby in the lead role in "Father's Day" was no mere coincidence. Rather, it was "further evidence that Cosby

is connected—even in plaintiff's mind—with the concept that plaintiff seeks to monopolize."

In view of the foregoing, the district court granted defendants' motion for summary judgment and dismissed the various claims presented in the complaint, concluding that the lack of novelty in plaintiff's proposal was fatal to any cause of action for unauthorized use of that idea.

DISCUSSION

I.

Our review of the instant appeal is limited to deciding whether the district court properly concluded that there was "no genuine issue as to any material fact" entitling defendants to "judgment as a matter of law." Fed. R. Civ. P. 56(c). Summary judgment is appropriate when, after drawing all reasonable inferences in favor of the party against whom summary judgment is sought, no reasonable trier of fact could find in favor of the non-moving party. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248-49 (1986); *Heyman v. Commerce and Industry Insurance Co.*, 524 F.2d 1317, 1320 (2d Cir. 1975).

As the district court recognized, the dispositive issue in this case is whether plaintiff's idea is entitled to legal protection. Plaintiff points to "unique"—"even revolutionary"—aspects of his "Father's Day" proposal that he claims demonstrate "genuine novelty and invention," *see Educational Sales Programs, Inc. v. Dreyfus Corp.*, 65 Misc. 2d 412, 317 N.Y.S.2d 840, 844 (Sup. Ct. N.Y. Cty. 1970), which preclude the entry of summary judgment against him. Specifically, plaintiff contends that his idea suggesting the nonstereotypical portrayal of black Americans on television is legally protectible because it repre-

sents a real breakthrough. As he stated in his affidavit in opposition to defendants' motion,

> [w]hen I created "Father's Day" I had in mind . . . a show that . . . would portray a Black family as it had never been shown before on television. . . . I also . . . desire[d] to produce a show with strong and positive role models for the Black community, and to make a statement regarding the love and integrity of the Black family to the world. I think every Black person in this country knows there has been a need for this, and that never before on television had there been a portrayal of a Black family as I created it for "Father's Day."

Murray claims that the novelty of his idea subsequently was confirmed by the media and the viewing public which instantly recognized the "unique" and "revolutionary" portrayal of a black family on *The Cosby Show*.

We certainly do not dispute the fact that the portrayal of a nonstereotypical black family on television was indeed a breakthrough. Nevertheless, that breakthrough represents the achievement of what many black Americans, including Bill Cosby and plaintiff himself, have recognized for many years—namely, the need for a more positive, fair and realistic portrayal of blacks on television. While NBC's decision to broadcast *The Cosby Show* unquestionably was innovative in the sense that an intact, nonstereotypical black family had never been portrayed on television before, the mere fact that such a decision had not been made before does not necessarily mean that the idea for the program is itself novel. *See Educational Sales Programs*, 317 N.Y.S.2d at 843 ("[n]ot every 'good idea' is a legally protectible idea").

Consequently, we do not agree with appellant's contention that the nonstereotypical portrayal of a black middle-class family in a situation comedy is novel because

> [t]o argue otherwise would be the equivalent of arguing that since there had always been baseball, and blacks in baseball, there was nothing new about Jackie Robinson playing in the major leagues—or that since there had always been schools in Little Rock, Arkansas, and blacks in schools, there was nothing new about integrating schools in Little Rock.

As appellees persuasively point out in response to this analogy, Murray has "confuse[d] the 'idea' with its execution. . . . Indeed, the idea of integration . . . had been discussed for decades prior to the actual events taking place." Similarly, we believe, as a matter of law, that plaintiff's idea embodied in his "Father's Day" proposal was not novel because it merely represented an "adaptation of existing knowledge" and of "known ingredients" and therefore lacked "genuine novelty and invention." *Educational Sales Programs*, 317 N.Y.S.2d at 844.

We recognize of course that even novel and original ideas to a greater or lesser extent combine elements that are themselves not novel. Originality does not exist in a vacuum. Nevertheless, where, as here, an idea consists in essence of nothing more than a variation on a basic theme—in this case, the family situation comedy—novelty cannot be found to exist. *Id.*; *see Surplus Equipment, Inc. v. Xerox Corp.*, 120 A.D.2d 582, 502 N.Y.S.2d 491, 492 (2d Dep't 1986). The addition to this basic theme of the portrayal of blacks in nonstereotypical roles does not alter our conclusion, especially in view of the fact that Bill Cosby previously had expressed a desire to do a situation comedy about a black family and that, as the district court

found, Cosby's entire career has been a reflection of the positive portrayal of blacks and the black family on television.

Appellant would have us believe that by interpreting New York law as we do, we are in effect condoning the theft of ideas. On the contrary, ideas that reflect "genuine novelty and invention" are fully protected against unauthorized use. *Educational Sales Programs*, 317 N.Y.S.2d at 844. But those ideas that are not novel "are in the public domain and may freely be used by anyone with impunity." *Ed Graham Productions*, 347 N.Y.S.2d at 769. Since such non-novel ideas are not protectible as property, they cannot be stolen.

In assessing whether an idea is in the public domain, the central issue is the uniqueness of the creation. Murray insists that there is at least a question of fact as to the novelty of "Father's Day" because *The Cosby Show* is indisputably unique. In support of this contention, plaintiff points to the fact that NBC contracted with Carsey-Werner for the right of NBC to broadcast *The Cosby Show*. The contract apparently was executed by the parties before there had been any written development of the proposed series. The "program idea" for *The Cosby Show*, however, was described in the contract as "unique, intellectual property." According to plaintiff, the inescapable conclusion is that the idea—whether it be "Father's Day" or *The Cosby Show*—could not possibly have been in the public domain if NBC expressly contracted to purchase it from Carsey-Werner.

We disagree. The Carsey-Werner contract contemplates a fully-produced television series. The contract refers to, *inter alia*, the program format, titles, set designs, theme music, stories, scripts, and art work as well as to the "pro-

gram idea." Taken together, these elements no doubt would be considered original and therefore protectible as property. On the other hand, we think it equally apparent that the mere idea for a situation comedy about a non-stereotypical black family—whether that idea is in the hands of Murray, Carsey-Werner, NBC, or anyone else—is not novel and thus may be used with impunity.

Finally, as an alternative attack on the propriety of the district court's order granting summary judgment, plaintiff posits that even if his idea was not novel as a matter of law, summary judgment still was inappropriate because his proposal was solicited by defendants and submitted to them in confidence. In this regard, Murray relies on *Cole v. Phillips H. Lord, Inc.*, 262 A.D. 116, 28 N.Y.S.2d 404 (1st Dep't 1941). Murray contends that *Cole* stands for the proposition that when an idea is protected by an agreement or a confidential relationship, a cause of action arises for unauthorized use of that idea irrespective of the novelty of the subject matter of the contract. Plaintiff's reliance on *Cole* is misplaced in light of subsequent cases, particularly the New York Court of Appeals decision in *Downey v. General Foods Corp.*, 31 N.Y.2d 56, 334 N.Y.S.2d 874, 286 N.E.2d 257 (1972). *See also Ferber v. Sterndent Corp.*, 51 N.Y.2d 782, 433 N.Y.S.2d 85, 86, 412 N.E.2d 1311 (1980) ("[a]bsent a showing of novelty, plaintiff's action to recover damages for illegal use of 'confidentially disclosed ideas' must fail as a matter of law"); *Educational Sales Programs*, 317 N.Y.S.2d at 844 ("[o]ne cannot be forever barred from using a worthwhile but unoriginal idea merely because it was once asked to be treated in confidence").

Consequently, we find that New York law requires that an idea be original or novel in order for it to be protected

as property. *See Downey*, 334 N.Y.S.2d at 877. Since, as has already been shown, plaintiff's proposal for "Father's Day" was lacking in novelty and originality, we conclude that the district court correctly granted defendants' motion for summary judgment.

II.

Having determined that plaintiff's idea is not property under New York law, we turn now to a consideration of the district court's dismissal of the various claims in the complaint.

A. *State law claims*

"[W]hen one submits an idea to another, no promise to pay for its use may be implied, and no asserted agreement enforced, if the elements of novelty and originality are absent. . . ." *Downey*, 334 N.Y.S.2d at 877. As the district court recognized, non-novel ideas do not constitute property. As a result, there can be no cause of action for unauthorized use of Murray's proposal since it was not unlawful for defendants to use a non-novel idea. We conclude therefore that the district court properly dismissed plaintiff's state law claims for breach of implied contract, misappropriation, conversion, and unjust enrichment. *See Lehman v. Dow Jones & Co.*, 783 F.2d 285, 300 (2d Cir. 1986) (Friendly, *J.*) (dismissing claim for breach of implied contract because plaintiff's ideas were neither novel nor original under New York law); *McGhan v. Ebersol*, 608 F. Supp. 277, 287 (S.D.N.Y. 1985) (dismissing claims for misappropriation, breach of fiduciary duty, and implied or quasi-contract because plaintiff's ideas were not novel or unique under New York law); *Downey*, 334 N.Y.S.2d at 877 (dismissing claims for misappropriation,

breach of express contract, breach of implied contract, and unjust enrichment after finding lack of novelty); *see also Wilson v. Bristol-Myers Co.*, 118 A.D.2d 50, 503 N.Y.S.2d 334, 336 (1st Dep't 1986) (citing *Downey* and quoting *Bram v. Dannon Milk Prods., Inc.*, 33 A.D.2d 1010, 307 N.Y.S.2d 571, 571 (1st Dep't 1970) ("[l]ack of novelty in an idea is fatal to any cause of action for its unlawful use")).

Similarly, plaintiff's fraud claim also fails since, as the district court recognized, plaintiff "cannot be defrauded of property that he does not own." Essential to a cause of action for fraud is a showing of injury as the proximate result of the alleged fraudulent conduct. *See Dress Shirt Sales, Inc. v. Hotel Martinique Assocs.*, 12 N.Y.2d 339, 239 N.Y.S.2d 660, 663, 190 N.E.2d 10 (1963). Because plaintiff's idea for "Father's Day" was in the public domain when NBC allegedly used it in the creation of *The Cosby Show*, Murray suffered no injury. His cause of action for fraud thus was properly dismissed.

B. *Civil Rights claims*

In his complaint, Murray alleged that defendants discriminated against him on account of his race, in violation of 42 U.S.C. §§ 1981 and 1982, by refusing to contract with him regarding his "Father's Day" proposal or to recognize his rights in *The Cosby Show* by contracting instead with white producers, i.e., Marcia Carsey and Thomas Werner of Carsey-Werner. Section 1981 provides in pertinent part that all citizens of the United States "shall have the same right . . . to make and enforce contracts . . . as is enjoyed by white citizens." Section 1982 extends the same protection to, among other things, the right to purchase, sell and hold personal property. The district court found plaintiff's claims for discrimination defi-

cient since they were premised on the fact that his idea "constituted property for which he could contract." Once the court determined that his idea lacked novelty, it dismissed the section 1981 and 1982 claims for failure to show a deprivation of a property right.

The existence of a protectible property interest is an essential element of a section 1982 claim. *See Memphis v. Greene,* 451 U.S. 100, 122 & n.35 (1981); *Gonzalez v. Southern Methodist University*, 536 F.2d 1071, 1072 (5th Cir. 1976), *cert. denied*, 430 U.S. 987 (1977). Section 1982 concerns only impairment of property interests because of race. *Greene*, 451 U.S. at 122. If an idea cannot be considered property, there can be no violation of section 1982. Thus, we find that the district court correctly dismissed plaintiff's section 1982 claim.

As for plaintiff's section 1981 claim, we note that in order for plaintiff to maintain a cause of action under that section, he "must show both that he was subjected to intentional discrimination, and that this discrimination interfered with a contractual relationship." *Krulik v. Board of Educ.*, 781 F.2d 15, 23 (2d Cir. 1986) (citations omitted). Although we agree with plaintiff that section 1981 does not speak in terms of property, *see Runyon v. McCrary*, 427 U.S. 160, 170-71 (1976) (section 1981 right to " 'make and enforce contracts' is violated if a private offeror refuses to extend [on account of race] the same opportunity to enter into contracts as he extends to white offerees"), section 1981 does require that there be a contract right underlying the claim. As *Downey* makes clear, however, there can be no contract right in a non-novel idea. 334 N.Y.S.2d at 877.

Furthermore, Murray's contention that he was deprived of his right under section 1981 to contract with NBC for

his services as executive producer is unfounded. Murray alleged that he submitted his "Father's Day" proposal to defendants in confidence on the understanding that if they used his idea he expected NBC to utilize his services as producer. Given the lack of novelty in plaintiff's idea, however, there could be no consideration for the alleged promise and hence no enforceable contract right upon which to base a section 1981 claim. *See Soule v. Bon Ami Co.*, 201 A.D. 794, 195 N.Y.S. 574, 576 (2d Dep't 1922) (dismissing complaint for failure to show that contract involving non-novel idea was supported by consideration), *aff'd*, 235 N.Y. 609, 139 N.E. 754 (1923); 1 Williston on Contracts, § 115 at 457 (3d ed. 1957) ("an idea lacking novelty and originality . . . will not readily be regarded . . . as . . . consideration for [a] promise").

Accordingly, the district court properly dismissed plaintiff's section 1981 claim.

C. *Lanham Act claim*

Lastly, we find that Judge Cedarbaum correctly determined that plaintiff's claim for false designation of origin, *see* Lanham Act § 43(a), 15 U.S.C. § 1125(a), regarding the credits to *The Cosby Show*, cannot survive in light of the court's granting of summary judgment against plaintiff on the issue of novelty. Even assuming defendants used plaintiff's idea, NBC's failure to designate Murray as the creator of *The Cosby Show* does not mean that the credits to the program are false since ideas in the public domain may be used with impunity and thus do not require attribution.

CONCLUSION

Our review of New York intellectual property law leads us to the inescapable conclusion that the district court did not err in deciding that there was no material issue of fact as to the novelty of plaintiff's proposal. In our judgment, the basic premise underlying the concept of novelty under New York law is that special protection is afforded only to truly innovative ideas while allowing the free use of ideas that are "merely clever or useful adaptation[s] of existing knowledge." *Educational Sales Programs*, 317 N.Y.S.2d at 844. In this case, the record indicates that plaintiff's idea for a situation comedy featuring the nonstereotypical portrayal of a black family simply was not uniquely plaintiff's creation. Accordingly, we affirm the district court's order granting summary judgment and dismissing the complaint.

Affirmed.

PRATT, *Circuit Judge*, dissenting:

Today this court holds that the idea underlying what may well be the most successful situation comedy in television history was, in 1980, so unoriginal and so entrenched in the public domain that, as a matter of law, it did not constitute intellectual property protected under New York law. Because I am convinced that the novelty issue in this case presents a factual question subject to further discovery and ultimate scrutiny by a trier of fact, I respectfully dissent.

At least for purposes of this appeal, it is given that Murray presented NBC with an idea for a television series;

that, after showing interest in Murray's initial idea, NBC then asked him to submit a more detailed proposal; and that NBC then actually used his proposal in developing *The Cosby Show*, but at the same time refused to provide any compensation to Murray. The only question on appeal is whether there is evidence to indicate that Murray's idea possessed the novelty and originality required under New York law. *See Downey v. General Foods Corp.*, 31 N.Y.2d 56, 334 N.Y.S.2d 874, 286 N.E.2d 257 (1972); *Bram v. Dannon Milk Prods.*, 33 A.D.2d 1010, 307 N.Y.S.2d 571 (1st Dep't 1970). Specifically, in order to affirm the district court judgment, this court must conclude that there is insufficient evidence to present a triable issue on novelty. *Ferber v. Sterndent Corp.*, 51 N.Y.2d 782, 784, 433 N.Y.S.2d 85, 86 (1980); *see Ed Graham Productions, Inc. v. National Broadcasting Co.*, 75 Misc. 2d 334, 337, 347 N.Y.S.2d 766, 769 (1973) (idea must be "wholly lacking in novelty").

I agree with the majority that there is some evidence that Murray's idea was not novel. But clearly, there is also evidence indicating novelty. Initially, there is the admission by NBC, in its agreement with Carsey-Werner, that the television series is "unique, intellectual property." Although NBC argues, and the majority agrees, that this clause refers to a "fully-produced television series", and not Murray's program idea, such analysis ignores two important facts.

First, the "unique, intellectual property" language is found in the remedies section of the development agreement. This section gives NBC the right to prevent the loss of its "unique, intellectual property" should Carsey-Werner fail to perform. However, if Carsey-Werner does not perform—that is, if it subsequently refuses to develop

the television series—the only "unique, intellectual property" to be protected is the program's underlying idea. In other words, from the outset NBC wanted to make certain that if its relationship with Carsey-Werner faltered, the novel idea it had given Carsey-Werner would be protected from disclosure. And because, for purposes of this appeal, we must assume that NBC got its idea from Murray, the Carsey-Werner development agreement, at a minimum, constitutes admissible evidence that Murray's idea was unique, thus making the novelty determination a question of fact. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242 (1986).

That the "unique, intellectual property" mentioned in the agreement refers to Murray's basic idea underlying the series rather than a fully-produced series, also finds support in the second fact the majority ignores. The definition section of the development agreement specifically defines this "property", not, as the majority contends, as "titles, set designs, theme music, stories, scripts, and art work"—indeed, these are separately defined in the agreement as the "elements" to be developed by Carsey-Werner—but rather, the development agreement defines the actual "property" exclusively to be the "story, literary property, program idea, and/or program format *which form(s) the basis*" for the television series. This provision provides additional evidence that it was Murray's underlying idea, not the developed elements of the series as a whole, which NBC desired to protect as unique and novel property.

Nor is the agreement the only piece of evidence indicating an issue of fact as to novelty. In 1985, NBC admitted that Murray had "rights" in his idea, but determined it had no interest in acquiring those rights. At trial, both Cosby and Tartikoff stated that they believed *The Cosby*

Show to be novel and unique. NBC admitted that the reason it normally returned rejected submissions, as it did in Murray's case, was that the "material belong[ed] to the submitter." In short, there is substantial evidence, both within and independent of the Carsey-Werner development agreement, which directly conflicts with the majority's holding that, as a matter of law, Murray's idea was not novel.

The fact that the basic idea had been expressed by Cosby some fifteen years before Murray submitted his proposal to NBC does not erase these factual issues. To say, as a matter of law, that an idea is not novel because it already exists in general form, would be to deny governmental protection to any idea previously mentioned anywhere, at anytime, by anyone. I do not believe New York law defines "novelty" so strictly, especially in the area of mass communications, an area long recognized by state courts as "a specialized field having customs and usages of its own" where "a property right exists" in "a combination of ideas evolved into a program." *Cole v. Phillip H. Lord, Inc.*, 262 A.D. 116, 121, 28 N.Y.S.2d 404, 409 (1st Dep't 1941). Indeed, in a market the very existence of which depends on the generation and development of ideas, it may be impossible to formulate a concept that has not previously been expressed by someone, somewhere.

Novelty, by its very definition, is highly subjective. As fashion, advertising, and television and radio production can attest, what is novel today may not have been novel 15 years ago, and what is commonplace today may well be novel 15 years hence. In this instance, where Cosby expressed the concept almost a decade and a half before Murray submitted his proposal, where it was Murray's idea that NBC actually used, where there is no evidence in-

dicating NBC knew anything of the program idea until Murray submitted it, *compare Downey v. General Foods Corp.*, 31 N.Y.2d 56, 60, 334 N.Y.S.2d 874, 877-78 (1972) (no novelty because defendant had "envisaged" *and* "utilized" plaintiff's idea for "years before the plaintiff submitted it") *with Wetlin v. Readers Digest Ass'n Inc.*, 528 F. Supp. 451, 466 (S.D.N.Y. 1981) (even though plaintiff's idea was in public domain, no evidence that defendant knew about or would have discovered the idea except through plaintiff's proposal; hence, the "idea was novel" as far as defendant was concerned), and where substantial conflicting evidence exists as to the "novelty" of the idea under New York law, there seems to be at least a triable issue.

The majority's decision prematurely denies Murray a fair opportunity to establish his right to participate in the enormous wealth generated by *The Cosby Show*. Accordingly, I would reverse the district court judgment and remand the case for further consideration.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK x

HWESU S. MURRAY.

Plaintiff.

85 Civ. 7675
(MGC)
JUDGMENT

-against-

NATIONAL BROADCASTING COMPANY, INC., BRANDON TARTIKOFF, THE CARSEY-WERNER COMPANY, a California partnership, MARCIA CARSEY and THOMAS WERNER,

Defendants.

x

Defendants "NBC" and "Tartikoff" having moved for summary judgment and the said motion having come before the Honorable Miriam Goldman Cedarbaum, U.S.D.J., and the Court thereafter on July 16, 1987, having handed down its opinion (#61268), granting defendant's motion for summary judgment, it is,

ORDERED, ADJUDGED AND DECREED:

That the complaint be and it is hereby dismissed as to defendants "NBC" and "Tartikoff".

DATED: NEW YORK, N.Y.

July 22, 1987

Raymond F. Burghardt

Clerk

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

HWESU S. MURRAY,

Plaintiff,

v.

NATIONAL BROADCASTING COMPANY, INC., BRANDON TARTIKOFF, THE CARSEY-WERNER COMPANY, a California partnership, MARCIA CARSEY and THOMAS WERNER,

Defendants.

No. 85 Civ. 7675 (MGC)

July 15, 1987.
(Entered July 16, 1987)

Santora & McKay, New York City, by Joseph J. Santora, Michael S. Allen, for plaintiff.

Cahill Gordon & Reindel, New York City, by Thomas R. Jones, Susan Buckley, Lisa Pearson, Ellen L. Weintraub, for defendants Nat. Broadcasting Co., Inc. and Brandon Tartikoff.

APPENDIX L

OPINION

CEDARBAUM, District Judge.

On September 30, 1985, Hwesu S. Murray ("Murray") commenced this suit against the National Broadcasting Company, Inc. ("NBC"), Brandon Tartikoff ("Tartikoff"), President of NBC Entertainment, The Carsey-Werner Co. ("Carsey-Werner"), a California corporation, and Marcia Carsey ("Carsey") and Thomas Werner ("Werner"), the principals of Carsey-Werner. The complaint alleges that defendants based the successful and lucrative weekly series The Cosby Show, on an idea that plaintiff submitted to NBC.

After the completion of discovery by all parties, defendants NBC and Tartikoff moved for summary judgment dismissing the complaint on

the ground that "plaintiff's alleged submissions lack the requisite novelty under applicable law." Defendants contend that the lack of novelty in plaintiff's idea is fatal to all of plaintiff's claims. Defendants Carsey, Werner, and Carsey-Werner joined in this motion. Following oral argument of the motion, plaintiff stipulated to dismiss his claims against defendants Carsey-Werner, Carsey and Werner.

BACKGROUND

Murray, who is black, is 36 years old. He holds a Bachelor of Arts degree in English, a Master of Arts degree in Broadcast Journalism and a law degree. For most of the past 10 years, he has worked in the television industry. (Complaint, ¶

8). In 1979, NBC hired Murray as a Unit Manager in NBC Sports. His duties include financial analysis, budget control, and other "logistical activities relating to NBC Sports programs." (Complaint, ¶ 9). In 1980, plaintiff submitted proposals to NBC for five television programs. Murray submitted the proposals after conversations with William Dannhauser, an NBC official, who requested that Murray put his proposals in writing. The five proposals were entitled "Father's Day," "Lady Luck," "Movieola," "Fox Theater Review," and "Temptations/Supremes Reunion." (Santora Affidavit, ¶ 50). Making such submissions was outside the scope of plaintiff's duties as a Unit Manager. (Complaint, ¶ 12).

Plaintiff told Dannhauser that if NBC was interested in any of the proposals, plaintiff expected to be the executive producer and the packager for the program, and to receive proper credits and compensation as the executive producer and creator. Plaintiff also told NBC that the proposals were being submitted in confidence. (Complaint, ¶ 13). On June 27, 1980, plaintiff submitted a cover letter and a one-page proposal entitled "Father's Day" for a program about a black middle-class family. That proposal is the subject of this action.

Dannhauser was particularly interested in developing the Temptations/Supremes show. He

requested that Murray "flesh out" the other proposals and submit them to Josh Kane. At the time, Kane was an NBC Vice-President and one of the top two entertainment programming officials of NBC. (Santora Affidavit, ¶ 50). Plaintiff expanded his original proposal for "Father's Day" to two pages, and submitted the expanded proposal to Kane on November 1, 1980. In the expanded proposal, Murray suggested that Bill Cosby play the part of the father, and that Diahann Carroll play the part of Cosby's wife. He also made several other casting suggestions and included other details for the show. Following the submission of this expanded proposal, Murray made an oral

presentation to Kane setting forth some ideas that he had for the characters and for story lines. (Complaint, ¶¶ 16, 17).

On November 21, 1980, NBC, through Kane, returned the proposal to Murray, and informed him that "we are not interested in pursuing [its] development at this time." (Exhibit C to Complaint). Plaintiff's other proposals also were rejected by NBC. Plaintiff claims that NBC retained copies of his "Father's Day" submissions. (Complaint, ¶ 26). Kane left NBC before plaintiff commenced this action, and NBC no longer has any references to Murray's proposals in its files. NBC counsel sent a letter to Murray in 1985, stating that a thorough search of the files had been made,

and had produced no documents in support of plaintiff's claims.

In the fall of 1984, NBC began broadcasting The Cosby Show, starring Bill Cosby. The Cosby Show is a half-hour, weekly situation comedy series featuring an upper middle-class black family. The mother is a lawyer, and the father is a physician. Bill Cosby plays the part of the father. Plaintiff believes that The Cosby Show is derived directly from his proposal for "Father's Day." Plaintiff asserts that the concept of the show is similar. He points to the similarity of such details as the number of children in the family, the fact that the eldest child is away at college and appears only periodically, and the fact that both

parents are working professionals. Most importantly, plaintiff contends that The Cosby Show, like his proposal, is the first television series to portray an intact black family in a color-blind, nonstereotypical manner.

The Cosby Show has been an outstanding artistic and commercial success. The press has described it as a breakthrough in the industry, noting that television "has had successful comedies based on a variety of Black caricatures - 'maids, butlers, and jive-talking youngsters - but the Cosby Show breaks through the stereotypes to portray another view of the Black family: intact, successful, sensible, and funny.'" (Complaint, ¶

29, quoting The New York Times, Nov. 18, 1984).

Plaintiff claims that "solely because he is Black, and because of NBC's refusal to deal with him as a Black American, he has been denied any participation in the show" and that "if a White executive producer had proposed ["Father's Day"] that person would now be enjoying the full fruits of the tremendous success of [The Cosby Show]." (Complaint, ¶ 38).

Plaintiff has alleged numerous claims arising from NBC's appropriation of his idea, including claims of race discrimination under 42 U.S.C. § 1981 and 1982, a claim of false designation of origin under the Lanham Act, 15 U.S.C. § 1125, claims of misappropriation and

conversion, breach of implied contract, unjust enrichment and fraud. Plaintiff's "Second Cause of Action" arising under 42 U.S.C. § 1985 and his "Fourth Cause of Action" arising under RICO, have been withdrawn.

Plaintiff seeks compensatory and punitive damages, an accounting, a constructive trust for plaintiff's benefit on all profits and gross revenues realized by defendants from The Cosby Show, a declaratory judgment that Murray "is the sole owner of all rights in and to the idea, proposal and property of ... Father's Day and all exploitations thereof" (Complaint, ¶ 102(f)), and an injunction stopping the showing of The Cosby Show unless Murray

receives credit for casting and creating the show. Plaintiff also seeks interest, costs, and attorneys' fees.

In support of their motion for summary judgment, defendants assert that plaintiff has no legally protected right to an idea that is not new. Defendants contend that because plaintiff's proposal lacked novelty, all of plaintiff's claims must be dismissed.

For the reasons discussed below, defendants' motion is granted.

DISCUSSION

1. The Standard for Summary Judgment

Rule 56(c) of the Federal Rules of Civil Procedure provides that "a court shall grant a motion for summary judgment if it

determines that 'there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.'" Knight v. U.S. Fire Ins. Co., 804 F.2d 9, 11 (2d Cir. 1986), cert. denied, -- U.S.--, 107 S.Ct. 1570, 94 L.Ed.2d 762 (1987). The essential question on a motion for summary judgment is whether there is a genuine dispute about a material fact. This standard closely parallels the test for a directed verdict. If the evidence is such that a reasonable finder of fact could return a verdict for the non-moving party, summary judgment should not be granted. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 106 S.Ct. 2505, 2511, 91 L.Ed.2d 202 (1986). After adequate time for

discovery, if the nonmoving party fails to make a showing sufficient to establish the existence of an element essential to its case, and on which it will bear the burden of proof at trial, summary judgment may properly be granted. In such a situation there can be no "genuine issue as to any material fact," since a failure of proof on an essential element of the case of the non-moving party "necessarily renders all other facts immaterial." Celotex Corp. v. Catrett, 477 U.S. 317, 106 S.Ct. 2548, 2553, 91 L.Ed.2d 265 (1986).

2. The "Novelty" of Plaintiff's Proposal

Both sides agree that New York law governs the central issue of whether plaintiff's idea is property subject to legal protection. Defendant argues that under New York law, the lack of novelty of an idea is fatal to any cause of action based on the use of that idea. Downey v. General Foods Corp., 31 N.Y.2d 56, 334 N.Y.S.2d 874, 286 N.E.2d 257 (1972). In Downey, the court recognized that an idea may be property if it is novel and original. But when an idea is submitted to another, "no promise to pay for its use may be implied, and no asserted agreement enforced, if the elements of novelty and originality are missing...." 31

N.Y.2d. at 61, 334 N.Y.S.2d. at 877, 286 N.E.2d at 259.

In Ed Graham Productions, Inc. v. National Broadcasting Co., Inc., 75 Misc.2d 334, 347 N.Y.S.2d 766 (Sup. Ct. N.Y.Co. 1973), the court summarized the law as follows:

> [W]here plaintiff's idea is wholly lacking in novelty, no cause of action in contract or tort can stand based upon the alleged misappropriation of that idea. Even if it be assumed that defendant had utilized plaintiff's idea, plaintiff may not recover if the idea was unoriginal. (Citations omitted.)

75 Misc.2d at 337, 347 N.Y.S.2d at 769. For purposes of this motion only, I have assumed that defendants used plaintiff's idea. Thus, the sole issue before me is whether the idea contained in plaintiff's "Father's Day" proposal was sufficiently novel to support a claim for its unlawful use.

In his Statement Pursuant to Local Rule 3(g), plaintiff asserts a number of facts which he contends are undisputed and establish the novelty of his proposal. First, the agreement between Carsey-Werner and NBC for The Cosby Show series provides that a failure by Carsey-Werner to perform "shall cause NBC irreparable loss of a unique, intellectual property." (3(g) Statement, ¶ D). Furthermore, at his deposition, defendant Tartikoff described The Cosby Show as "add[ing] a new and unique dimension to the American television family program genre." (3(g) Statement, ¶ H). Also, Cosby testified at his deposition "that he would agree with a description of 'The Cosby Show' as unique, novel and a breakthrough in television programming." (3(g) Statement, ¶ I).

Reviews of The Cosby Show have referred to it as "a breakthrough," a show that "breaks through the stereotypes" and "the first upper-middle class all-black family ever on TV." (3(g) Statement, ¶ J). Finally, plaintiff argues that because his proposal was based on his own life and family, it is necessarily novel. (3(g) Statement, ¶ C).

As discussed briefly above, plaintiff's "Father's Day" proposal contained an idea for a half-hour weekly series centering on a black, middle-class American family. Plaintiff first submitted a cover letter addressed to William Dannhauser and a one-page written proposal describing his idea for the program. Because the details of plaintiff's idea are essential to a decision on its novelty,

the substantive portions of the first proposal are set out in their entirety:

> The leading character will be the father, a 45-year-old attorney in private practice who is a devoted family man and a compassionate proud, authority figure. The mother, loving and supportive, is a county administrative worker who finds joy in striking a balance between her family and her work. The family includes four children; a son, 14, a daughter, 7, a second daughter, 4; and an infant son. The family's eldest son, 20, is a scholar of a distant college and is preparing for law school. He makes only periodic appearances, but his life has continuing impact upon his family at home.
>
> The family lives in a home located in a suburb of a major city. This program adds a new and unique dimension to the American television family program genre. It is not a situation comedy per se. While humor may be a factor on occasion, it is not essential to the main focus of the program.
>
> The characters are real people in real life situations, striving for personal achievement. The program may well resemble "Father Knows

> Best" and "The Dick Van Dyke Show." It will be radically different from "The Jeffersons," "Good Times," "Different Strokes," and "That's My Mama." The father will not be a buffoon, a supermasculine menial, or a phantom. Children will not engage in eyerolling "sassiness," or abusive anti-social behavior. The mother will be neither a heavy-set cleaning woman, nor a struggling person without purpose or direction. In short, the characters will present various human personalities. The program will show how a Black father can respond with love to something as mundane as a Father's Day card, and will present a closely-knit family and who [sic] how much they care for and support one another (which was the strong quality of "Roots".)

Plaintiff submitted his expanded proposal for "Father's Day" on November 1, 1980. This proposal did not add significant details to plaintiff's original proposal except that it suggested casting for the show. Plaintiff proposed that Bill Cosby should play the role of the father and

Diahann Carroll the role of the mother. He suggested actors for several of the supporting roles as well. Plaintiff also wrote that:

> A recurring element of this program will involve situations in which the father's traditional views of success and the roles of fathers, mothers, and children are challenged by a new set of rules and ideas. For example, the father is continuously upset by the rapid decline of the value of the dollar, particularly in light of his many years of struggle to achieve middle-class status. He is also disgruntled about the decline of educational values and the rise of the drug culture which surrounds his children, in their integrated, middle-class environment. With tongue-in-cheek humor, he re-evaluates middle-class American life, with a Black prospective, and adjusts his perception of the American dream in light of new realities.

To the extent that plaintiff's proposed program "may well resemble 'Father Knows Best' and 'The Dick Van

Dyke Show,'" it cannot be considered novel. An idea for a family situation comedy involving a white family would certainly not have been novel in 1980 since all of the networks had already run numerous variations on this theme. Plaintiff's assertion of novelty rests on the fact that the family to be portrayed in his proposed program was black. It is this characteristic which plaintiff emphasizes as the factor that makes his idea novel and legally protectable. Plaintiff stated in his Affidavit in opposition to defendants' motion:

> When I created "Father's Day", I had in mind to create a show that was new and unique and would portray a Black family as it had never been shown before on television .... I also had, as a Black man, a strong desire to produce a show with strong and positive role models for the

> Black community, and to make a statement regarding the love and integrity of the Black family to the world. I think every Black person in this country knows there has been a need for this, and that never before on television had there been a portrayal of a Black family as I created it for "Father's Day."
>
> An essential element of "Father's Day" was the lead role for the male, a person of great strength and character, who was the predominant figure in the family. No one can dispute the need for such a positive role model for Black males prior to "Father's Day."

(Murray Affidavit, ¶¶.10, 11).

The question presented in this case is therefore a narrow one: whether the proposed use of a black family made "Father's Day " such a novel and original conception that it transformed a common and frequently utilized formula for family situation comedies into an idea entitled to legal protection.

Two factors preclude a finding that plaintiff's idea was sufficiently novel to be entitled to protection. First, plaintiff's proposal merely combined two ideas which had been circulating in the industry for a number of years - namely, the family situation comedy, which was a standard formula, and the casting of black actors in non-stereotypical roles, for which the television industry recognized a need. To a limited extent, the networks had already cast black actors in non-stereotypical roles.

The second factor precluding a finding of novelty in this case is that The Cosby Show is closely related to television programs with which Bill Cosby has been associated in the past. In fact, in 1965, Cosby himself publicly expressed his desire to

develop a television series depicting a middle-class black family.

A. Prior Network Programs

In opposition to defendants' motion, plaintiff submitted an affidavit of J. Fred MacDonald, a professor of history at Northeastern Illinois University in Chicago. MacDonald's work has focused on "the portrayal and treatment of Afro-Americans (or Black Americans), both in front of and behind the camera, by the television industry." (Affidavit, ¶ 1). In view of plaintiff's heavy reliance on MacDonald as an expert on the history of the television industry, I have carefully examined MacDonald's analysis and the descriptions of prior television programs contained in his book, Blacks and White TV: Afro-Americans in Television since 1948

("Blacks and White TV"). (Exhibit E to Murray Affidavit).

Professor MacDonald states in his Affidavit that "I consider 'The Cosby Show' a radical break with the racist traditions of past portrayals of Blacks on television." (¶ 8). But MacDonald's own book describes a number of earlier television shows featuring black actors. All of these television programs predated The Cosby Show.

MacDonald's book shows that Bill Cosby was the first black actor to star in a prime time television series on a major network. Cosby played Alexander Scott in the dramatic series I Spy from 1965 to 1968:

> Casting Cosby as Alexander Scott, the tennis trainer and traveling companion of [Robert] Culp's character, fellow agent Kelly Robinson, broke the color

> line as had no series in TV history.
>
> ....
>
> As well as being the first network drama with an Afro-American star, I Spy was a landmark program for blacks in other respects. Alexander Scott was placed solidly beyond the borders of the United States, swept up in the dynamics of world affairs....
>
> Cosby's character ... was unlike Shaft, Superfly, and other exaggerated "superspade" characters developed in the so-called blaxploitation films of the next decade. Alexander Scott was a real, mature human character - able to feel and express emotions historically forbidden to black characters in mainstream entertainment media.

Blacks and White TV at 110-111.

According to MacDonald, the series Julia, starring Diahann Carroll, which was broadcast from 1968-1971, centered on self-supporting professional nurse who lived in a racially integrated apartment

building. She was a "war widow" raising a son and "was the most assimilated black character ever to appear in the American mass media." Blacks and White TV at 115. As far as the show itself was concerned:

> Julia made no pretense of dealing with contemporary social issues. Indeed, it studiously avoided them. A weekly visit with the Bakers involved the same simple problems encountered for decades on such shows as I Love Lucy, Family Affair, and the Donna Reed Show.

Id. at 115.

MacDonald points out that the show was criticized for a number of reasons, including its unrealistic depiction of a black woman, the fact that the lead character was "female and husbandless" and that the program as a whole seemed patronizing to Blacks. Id. at 117. These criticisms notwithstanding, Julia was a series

which portrayed a black woman facing the everyday, mundane problems dealt with in countless other television series. To that extent, it was very similar to Murray's proposal to portray black characters as "real people in real life situations, striving for personal achievement." (Murray proposal).

MacDonald also discusses Room 222, which was broadcast by ABC from 1969-1974. Room 222 featured Lloyd Haynes, a black actor, as a history teacher at an integrated high school. MacDonald summarized the program as follows:

> The sympathetic characters portrayed by Haynes and [Denise] Nicholas [a black actor who played a school guidance counselor] represented a positive statement about black middle-class success. In charge of young lives, here were

> responsible black adults making all the right moves....
>
> The professionals in Room 222 had achieved. They were laboring now so that black youngsters could follow them to the American Dream....
> Not simply principals in a TV series, these were role models of what 'the good life' - a world of rational thought, attractive people, and financial sufficiency -offered for those who would abandon bitterness and work to overcome within the system.

Blacks and White TV at 129.

Another television series discussed by MacDonald, the Bill Cosby Show, ran from 1969-1971 and featured Cosby as the lead character, Chet Kincaid, a high school track coach who was "middle-class, professional, and educated." Id. at 117. MacDonald described the Bill Cosby Show in part, as follows:

> [T]he series was a statement about black life, an endorsement of the middle-class, educated black man who has not deserted the ghetto but moves gracefully between both worlds. Through his character, Cosby served to defang the contemporary familiar image of riotous blacks. He also suggested to blacks still in poverty that they were not forgotten by those who had obtained an education and credentials to operate in the wider, primarily white society.

Id. at 118.

Another show created by Cosby was Fat Albert and the Cosby Kids, an animated Saturday morning program which was first shown on television in the fall of 1972. MacDonald described this program as follows:

> [T]his animated Saturday morning series featured Bill Cosby as host to the adventures of a group of black youngsters growing up in an urban environment. The show was drawn in part from Cosby's memories of his own childhood in Philadelphia....

> Working with a panel of social scientists and educators, CBS and Cosby used the program as a vehicle for teaching ethics, social values, judgment, and personal responsibility. Here was a fusion of education and entertainment, precipitated for the most part by Cosby....
>
> As well as presenting black characters in a positive perspective, Fat Albert treated issues such as lying, tolerance, coping with death in the family, playing hooky, cheating on tests, and ganging up on a child because he or she is different.

Id. at 195.

MacDonald's book also discusses Barefoot in the Park, a television series which was first shown in the Fall of 1969, and lasted for only thirteen weeks. Based on Neil Simon's hit Broadway play and movie, the series depicted a young middle-class black couple living in New York City and their struggles during the first years

of marriage:

> [T]he comedy in the series was uninspired, and the image of an attractive young couple kissing and joking their way through married life was already an over-used format.

Id. at 119. It is difficult to understand why, apart from their relative success, a show featuring a young black middle-class couple, apparently for the first time, would be considered "an over-used format," while a program based on the life of a middle-class black family and resembling the Dick Van Dyke Show or Father Knows Best should be considered novel.

Although plaintiff is correct that some of the cases on which defendants rely are factually distinguishable because they involved trade and advertising proposals rather than creative works, the legal

principles they embody are not limited to trade cases.

In McGhan v. Ebersol, 608 F. Supp. 277 (S.D.N.Y. 1985), plaintiff sued for violation of a joint venture agreement and misappropriation of ideas in connection with a television series, "Friday Night Video," a music video show broadcast on NBC on Friday evenings. Defendant moved for summary judgment on the ground, inter alia, that the plaintiff's proposals for the program were not sufficiently original to allow the plaintiff to assert a protected interest.

The court reasoned that in order to succeed on his claim of misappropriation, plaintiff would have to establish two essential elements: a legal relationship between the parties and a novel and concrete idea. Id. at

284. The court held that although a question of fact existed as to the legal relationship between the parties, the plaintiff had failed to prove that the ideas for which he sought compensation "were both novel and concrete." Id. at 285. The court rejected a number of plaintiff's claimed ideas on the ground that

> While it is true that the fact that a plaintiff's idea 'embodies elements long in use does not of itself negate originality or novelty,' Baut v. Pethick Const. Co., 262 F. Supp. 350, 361 (M.D. Pa. 1966), in order to be protectable, adaptations of ideas must:
>
> > show genuine novelty and invention, and not a merely clever or useful adaptation of existing knowledge ... [t]he judicious use of existing means or the mixture of known ingredients in somewhat different proportions - all the variations on a basic theme - partake more of the nature of elaboration and

> renovation than of innovation. Educational Sales Programs, Inc. v . Dreyfus Corp., supra, [65 Misc.2d 412,] 317 N.Y.S.2d [840] at 844.

Id. at 286.

In his proposal for "Father's Day," plaintiff took already existing ingredients from the basic theme of the family situation comedy. If plaintiff's submission in 1980, which was expressly rejected by NBC in November of 1980, were to be considered novel, it would mean that defendants would be barred from televising a family situation comedy starring Bill Cosby, if the family is an intact family unit. See, e.g., Soule v. Bon Ami, 201 A.D. 794, 195 N.Y.S. 574 (2d Dep't 1922), aff'd, 235 N.Y. 609, 139 N.E. 754 (1923); see also Educational Sales Programs, Inc.

v. Dreyfus Corp., 65 Misc.2d 412, 416, 317 N.Y.S.2d 840 (Sup.Ct. N.Y.Co. 1970) ("One cannot be forever barred from using a worthwhile but unoriginal idea merely because it was once asked to be treated in confidence.").

B. Bill Cosby's Previous Work

The other major impediment to a finding that plaintiff's idea was sufficiently novel to constitute property is that Cosby himself had previously proposed an idea which was very similar to the core of plaintiff's proposal.

In an interview which appeared in the New York Sunday News on December 12, 1965, Cosby discussed his ideal television series:

> It won't be unlike other situation comedies. There'll be the usual humorous exchanges between husband and wife in the style made famous by Dick Van

> Dyke and Mary Tyler Moore. Warmth and domestic cheerfulness will pervade the entire program. Everything on the screen will be familiar to TV viewers. But this series will be radically different. Everyone in it will be a Negro.
>
> ....
>
> Bill seeks to initiate the all-Negro series for one specific reason: "I'm interested in proving there's no difference between people. My series would take place in a middle-income Negro neighborhood. People who really don't know Negroes would find on this show that they're just like everyone else. There would be no Negro jokes on my series, or attempts to sway people to move into segregated neighborhoods. The show would be my personal answer to bigots who regard Negroes as animals and not human beings."

(Exhibit 1 to Jones' Affidavit).

The history of Cosby's television career argues strongly against the novelty of Murray's proposal. In support of their motion for summary judgment, defendants submitted two

videotapes: one, the initial episode of The Cosby Show, the other, a sampling of Cosby's prior work in television and his recordings. What is apparent from this material is that themes of parenting, parent-child relations, and child behavior have pervaded Cosby's work in all media. In virtually every project in which Cosby has been involved, he has applied the ideas of black family and non-stereotypical black characters.

The fact that plaintiff himself proposed to cast Bill Cosby as the central character in his program is further evidence that Cosby is connected - even in plaintiff's mind - with the concept that plaintiff seeks to monopolize. At plaintiff's deposition, he pointed out how important Cosby was to his proposal

because Cosby was "known as a very funny person" and "would bring to the program the kinds of elements that I wanted to project." (Murray deposition at 328). "In addition to Mr. Cosby's popularity, part of what he had been doing for a living was standup comedy in which he was giving anecdotes about his childhood past and childhood experiences and also stories about his own family, his own wife and children." (Id. at 328). In discussing the sources for his proposal, Murray stated that:

> [T]he basis of this program is my life as a father based on my experiences as a child and husband and father and that these were kinds of things that I wanted to bring to this show. I felt that Mr. Cosby's experiences were things that were public knowledge, so that the success of the show would be a combination of his qualifications based on what the

> public knew of him and the things that I had created.

(Id. at 331).

When plaintiff's proposal is viewed in light of Cosby's own work and career, and of the progression of programs featuring black actors that went before The Cosby Show, plaintiff's idea cannot be considered sufficiently novel to create a property interest.

3. The Effect on Plaintiff's Claims of Plaintiff's Failure to Establish Novelty.

A. Plaintiff's Intellectual Property Claims

Plaintiff's Fifth, Sixth and Seventh "Causes of Action" relate to defendants' allegedly unlawful use of plaintiff's idea. Plaintiff's "Fifth Cause of Action" is for misappropriation and conversion of his

idea. In his "Sixth Cause of Action," which is against NBC only, plaintiff claims that NBC "breached its implied agreement with plaintiff and its confidential relationship with plaintiff." (Complaint, ¶ 85). Plaintiff's "Seventh Cause of Action" is for unjust enrichment.

Lack of novelty is fatal to all of these claims. Unless an idea is novel, it does not constitute property, and recovery cannot be obtained for its unlawful use. See Downey v. General Foods Corp., 31 N.Y.2d 56, 61, 334 N.Y.S.2d 874, 286 N.E.2d 257 (1972) (If an idea is not novel, "no promise to pay for its use may be implied, and no asserted agreement enforced."); see also Lehman v. Dow Jones & Co., Inc., 783 F.2d 285, 300 (2d Cir. 1985)

(quoting Downey); Ed Graham Productions, Inc. v. National Broadcasting Company, Inc., 75 Misc.2d 334, 336 (Sup.Ct. N.Y.Co. 1973) (lack of novelty in plaintiff's proposal for a cartoon series precluded a finding that it was exclusive property capable of protection).

Moreover, with respect to plaintiff's cause of action for breach of an implied contract, "[a] contract cannot be implied in fact where the facts are inconsistent with its existence; or against the declaration of the party to be charged.... The assent of the person to be charged is necessary and unless he has conducted himself in such a manner that his assent may fairly be inferred he had not contracted." Miller v. Schloss,

218 N.Y. 400, 406, 407, 113 N.E. 337 (1916) (citations omitted). The facts in this case do not support a finding of an intent to contract. On the contrary, the complaint alleges NBC's express rejection of plaintiff's proposal. (Complaint, ¶ 25).

In addition, unjust enrichment, or an implied contract in law, "rests upon the equitable principle that a person shall not be allowed to enrich himself unjustly at the expense of another." 218 N.Y. at 407, 113 N.E. at 339. Defendants cannot have enriched themselves at the expense of the plaintiff since plaintiff had nothing of value to confer. See, e.g., Educational Sales Programs, Inc. v. Dreyfus, 65 Misc.2d 412, 415, 317 N.Y.S.2d 840 (Sup. Ct. N.Y.Co. 1970).

B. Plaintiff's Section 1981 Claims

Plaintiff's "First Cause of Action" based on defendants' alleged deprivation of plaintiff's "right to make and enforce contracts" must also fail because plaintiff is unable to establish that his "idea and proposal for 'Father's Day' was novel, original and concrete." (Complaint, ¶ 45). Plaintiff's claim under 42 U.S.C. § 1981 is based on the premise that his idea constituted property for which he could contract. In view of the idea's lack of novelty, plaintiff has no property right to assert, or of which he could have been deprived.

C. Plaintiff's Lanham Act Claim

Plaintiff's "Third Cause of Action" alleges that defendants failed to designate him as the creator and/or

originator and the casting person of The Cosby Show. (Complaint, ¶ 63). Lack of novelty is fatal to this claim as well. Because the idea was not novel, it must be considered to have been in the public domain and, therefore, not attributable to any one individual.

D. Plaintiff's Fraud Claim

Plaintiff's "Eighth Cause of Action," against NBC only, sounds in fraud. Plaintiff alleges that NBC concealed its interest in "Father's Day" and the development of The Cosby Show, and misrepresented its interest in plaintiff's proposal. This claim also cannot survive in view of plaintiff's failure to establish that his idea was novel. Plaintiff alleges that defendant's fraudulent acts "included its conversion of plaintiff's

property, breaches of implied contract and its confidential relationship with plaintiff" (Complaint, ¶ 95). These are the same grievances asserted in the Fifth and Sixth causes of action, and cannot succeed for the same reason. Plaintiff cannot be defrauded of property that he does not own.

CONCLUSION

For the reasons discussed above, plaintiff cannot establish an essential element of all of his claims. Therefore, defendants' motion for summary judgment is granted.

SO ORDERED.

AMENDMENT V TO

THE UNITED STATES

CONSTITUTION

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty or property, without due process of law; nor shall private property be taken for public use without just compensation.

APPENDIX M

AMENDMENT XIV TO THE CONSTITUTION THE UNITED STATES

Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

15 U.S.C. § 1125 - The Lanham Act

(a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business

in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

28 U.S.C. § 2283

Stay of State court proceedings

A court of the United States may not grant an injunction to stay proceedings in a state court except as expressly authorized by Act of Congress or where necessary in aid of its jurisdiction, or to protect or effectuate its judgments.

APPENDIX P

42 U.S.C. § 1981

Equal rights under the law

(a) Statement of equal rights

All persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishment, pains, penalties, taxes, licenses and exactations of every kind, and to no other.

APPENDIX Q

42 U.S.C. § 1982

Property rights of citizens

All citizens of the United States shall have the same right, in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property.

APPENDIX R

Rule 60(b)

Federal Rules of Civil Procedure

Relief From Judgment or Order

Mistakes; Inadvertence; Excusable Neglect; Newly Discovered Evidence; Fraud, Etc.

On motion and upon such terms as are just, the court may relieve a party or a party's legal representative from a final judgment, order, or proceeding for the following reasons: (1) mistake, inadvertence, surprise, or excusable neglect; (2) newly discovered evidence which by due diligence could not have been discovered in time to move for a new trial under Rule 59(b); (3) fraud (whether heretofore denominated intrinsic

or extrinsic), misrepresentation, or other misconduct of an adverse party; (4) the judgment is void; (5) the judgment has been satisfied, released, or discharged, or a prior judgment upon which it is based has been reversed or otherwise vacated, or it is no longer equitable that the judgment should have prospective application; or (6) any other reason justifying relief from the operation of the judgment. The motion shall be made within a reasonable time, and for reasons (1), (2), and (3) not more than one year after the judgment, order, or proceeding was entered or taken. A motion under this subdivision (b) does not affect the finality of a judgment or suspend its operation. This rule does not limit the power of a court to entertain an independent action to

relieve a party from a judgment, order, or proceeding, or grant relief to a defendant not actually personally notified as provided in Title 28, U.S.C. §1655, or to set aside a judgment for fraud upon the court. Writs of coram nobis, coram vobis, audita querela, and bills of review and bills in the nature of a bill of review, are abolished, and the procedure for obtaining any relief from a judgment shall be by motion as prescribed in these rules or by an independent action.

28 U.S.C. § 1652

State laws as rules of decision

The laws of the several states, except where the Constitution or treaties of the United States or Acts of Congress otherwise require or provide, shall be regarded as rules of decision in civil actions in the courts of the United States, in cases where they apply.

APPENDIX T

28 U.S.C. § 46

Federal Rules of the Judiciary and Judiciary Procedure

Assignment of judges; panels; hearings; quorum

(a) Circuit judges shall sit on the court and its panels in such order and at such times as the court directs.

(b) In each circuit the court may authorize the hearing and determination of cases and controversies by separate panels, each consisting of three judges, at least a majority of whom shall be judges of that court, unless such judges cannot sit because recused or

disqualified, or unless the chief judge of that court certifies that there is an emergency including, but not limited to, the unavailability of a judge of the court because of illness. Such panels shall sit at the times and places and hear the cases and controversies assigned as the court directs. The United States Court of Appeals for the Federal Circuit shall determine by rule a procedure for the rotation of judges from panel to panel to ensure that all of the judges sit on a representative cross section of the cases heard and, notwithstanding the first sentence of this subsection, may determine by rule the number of judges, not less than three, who constitute a panel.

(c) Cases and controversies shall be heard and determined by a court or panel of not more than three judges (except that the United States Court of Appeals for the Federal Circuit may sit in panels of more than three judges if its rules so provide), unless a hearing or rehearing before the court in banc is ordered by a majority of the circuit judges of the circuit who are in regular active service. A court in banc shall consist of all circuit judges in regular active service, or such number of judges as may be prescribed in accordance with section 6 of Public Law 95-486 (92 Stat. 1633), except that any senior circuit judge of the circuit shall be eligible to participate, at his election and upon designation and assignment pursuant to section 294(c) of this title and the

rules of the circuit, as a member of an in banc court reviewing a decision of a panel of which such judge was a member.

(d) A majority of the number of judges authorized to constitute a court or panel thereof, as provided in paragraph (c), shall constitute a quorum.

Robert C. APFEL, et al. Appellants-Respondents,

v.

PRUDENTIAL-BACHE SECURITIES, INC., Respondent-Appellant

Court of Appeals of New York

July 8, 1993

Geoffrey S. Stewart, of the District of Columbia Bar, admitted pro hac vice, and Winthrop Stimson, Putnam & Roberts, New York City (Phillip LeB. Douglas, of counsel), for appellants-respondents.

Cahill Gordon & Reindel, New York City (Thomas J. Kavaler, Judith A. Archer and Richard C. Schoenstein, of counsel), for respondent-appellant.

OPINION OF THE COURT

SIMONS, Judge.

Defendant, an investment bank, seeks to avoid an agreement to purchase plaintiff's idea for issuing and selling

municipal bonds. Its principal contention is that plaintiffs had no property right in the idea because it was not novel and, therefore, consideration for the contract was lacking. For reasons which follow, we conclude that a showing of novelty is not required to validate the contract. The decisive question is whether the idea had value, not whether it was novel.

I

In 1982, plaintiffs, an investment banker and a lawyer, approached defendant's predecessor with a proposal for issuing municipal securities through a system that eliminated paper certificates and allowed bonds to be sold, traded, and held exclusively by means of computerized "book entries". Initially, the parties signed a

confidentiality agreement that allowed defendant to review the techniques as detailed in a 99-page summary. Nearly a month of negotiations followed before the parties entered into a sale agreement under which plaintiffs conveyed their rights to the techniques and certain trade names and defendant agreed to pay a stipulated rate based on its use of the techniques for a term from October 1982 to January 1988. Under the provisions of the contract, defendant's obligation to pay was to remain even if the techniques became public knowledge or standard practice in the industry and applications for patents and trademarks were denied. Plaintiffs asserted that they had not previously disclosed the techniques to anyone and they agreed to maintain them in confidence until they became public.

From 1982 until 1985, defendant implemented the contract, although the parties dispute whether amounts due were fully paid. Defendant actively encouraged bond issuers to use the computerized "book entry" system and, for at least the first year, was the sole underwriter in the industry employing such a system. However, in 1985, following a change in personnel, defendant refused to make any further payments. It maintained that the ideas conveyed by plaintiffs had been in the public domain at the time of the sale agreement and that what plaintiffs sold had never been theirs to sell. Defendant's attempts to patent the techniques proved unsuccessful. By 1985, investment banks were increasingly using computerized systems, and by 1990 such systems were handling 60% of the dollar

volume of all new issues of municipal securities.

Plaintiffs commenced this litigation seeking $45 million in compensatory and punitive damages. They asserted 17 causes of action based on theories of breach of contract, breach of fiduciary duty, fraud, various torts arising from defendant's failure to obtain patents, and unjust enrichment. Defendants's answer interposed defenses and counterclaims for breach of contract, breach of warranty, waiver, fraud, estoppel, laches, mutual mistake, rescission, and a lack of consideration. Plaintiffs then moved for partial summary judgment, defendant cross-moved for summary judgment dismissing the complaint, and plaintiffs responded with

a motion seeking dismissal of the affirmative defenses.

Supreme Court concluded that triable issues existed on the questions of whether defendant breached the contract by refusing to make payments and whether plaintiffs committed a breach by allegedly disclosing the techniques to another company. The court also found defendant had raised a triable issue on whether plaintiffs had partially waived their right to payment by forgoing certain claims to compensation. The remainder of the pleadings were found to be legally insufficient. Accordingly, the court dismissed all the causes of action except the first, which alleges breach of contract, and struck all defendant's defenses and counterclaims except those relating to breach of contract and the

partial defense of waiver. The Appellate Division modified the order by reinstating defendant's claim that the sale agreement lack consideration, 183 A.D. 2d 439, 583 N.Y.S. 2d 386. It held that novelty was required before an idea could be valid consideration but concluded that the question was one of fact to be decided at trial. It also reinstated the cause of action for unjust enrichment, holding that the presence of an express contract did not foreclose recovery on a theory of quasi contract.

On this appeal, defendant's principal contention is that no contract existed between the parties because the sale agreement lacked consideration. Underlying that argument is its assertion that an idea cannot be legally sufficient consideration unless it is novel.

Defendant supports that proposition by its reading of such cases as Downey v. General Foods Corp., 31 N.Y. 2d 56, 334 N.Y.S. 2d 874, 286 N.E. 2d 257, Soule v Bon Ami Co., 201 App. Div. 794, 195 N.Y.S. 574, aff'd. 235 N.Y. 609, 139 N.E. 754, and Murray v. National Broadcasting Co. 844 F. 2d 988, cert denied 488 U.S. 955, 109 S. Ct. 391, 102 L.Ed. 2d 380. Plaintiffs insist that their system was indeed novel, but contend that, in any event, novelty is not required to validate the contract at issue here.

II

[1] Defendant's cross motion for summary judgment insofar as it sought to dismiss the first cause of action alleging breach of contract was properly denied. Additionally, plaintiffs' motion

to dismiss the lack of consideration defenses and counterclaims should be granted.

[2, 3] Under the traditional principles of contract law, the parties to a contract are free to make their bargain, even if the consideration exchanged is grossly unequal or of dubious value (see, Spaulding v. Benenati, 57 N.Y. 2d 418, 456 N.Y.S. 2d 733, 442 N.E. 2D 1244; Hamer v. Sidway, 124 N.Y. 538, 27 N.E. 256; 3 Williston, Contracts § 7:21, at 390 [Lord 4th ed.]; Restatement [Second] of Contracts § 74, comment e; § 79, comment c). Absent fraud or unconscionability, the adequacy of consideration is not a proper subject for judicial scrutiny (Spaulding v Benenati, supra, 57 N.Y. 2d at 423, 456 N.Y.S. 2d 733, 442 N.E. 2d 1244). It is enough that

something of "real value in the eye of the law" was exchanged (see, Mencher v. Weiss, 306 N.Y. 1, 8, 114 N.E. 2d 177; see also, Weiner v. McGraw-Hill, Inc. 57 N.Y. 2d 458, 464, 457 N.Y.S. 2d 193, 443 N.E. 2d 441). The fact that the sellers may not have had a property right in what they sold does not, by itself, render the contract void for lack of consideration (see, Wahl v. Barnum, 116 N.Y. 87, 95, 22 N.E. 280 [relinquishment of disputed claim is valid consideration even though claim is in fact invalid]; Spaulding v. Benenati, supra, 57 N.Y. 2d at 423, 456 N.Y.S. 2d 733, 442 N.E. 2d 1244 ["expectancy that customers will return to the seller's former location" is legally sufficient consideration]; see also, Restatement [Second] of Contracts § 74, comment e [contract for quitclaim

deed valid, even though seller has no interest in the property]; 3 Williston, Contracts § 7:21, at 391 [Lord 4th ed.]).

Manifestly, defendant received something of value here; its own conduct establishes that. After signing the confidentiality agreement, defendant thoroughly reviewed plaintiffs' system before buying it. Having done so, it was in the best position to know whether the idea had value. It decided to enter into the sale agreement and aggressively market the system to potential bond issuers. For at least a year, it was the only underwriter to use plaintiffs' "book entry" system for municipal bonds, and it handled millions of such bond transactions during that time. Having obtained full disclosure of the system, used it in advance of competitors, and

received the associated benefits of precluding its disclosure to others, defendants can hardly claim now the idea had no value to its municipal securities business. Indeed, defendant acknowledges it made payments to plaintiffs under the sale agreement for more than two years, conduct that would belie any claim it might make that the idea was lacking in value or that it had actually been obtained from some other source before plaintiffs' disclosure.

Thus, defendant has failed to demonstrate on this record that the contract was void or to raise a triable issue of fact on lack of consideration.

III

[4] Defendant's position rests on Downey v. General Foods Corp., 31 N.Y. 2d

56, 334 N.Y.S. 2d 874, 286 N.E. 2d 257, supra and Soule v. Bon Ami Co., 235 N.Y. 609, 139 N.E. 754, affg. 201 App. Div. 794, 195 N.Y.S. 574, supra and similar decisions. It contends that those cases establish an exception to traditional principles of contract law and require that the idea must be novel before it can constitute valid consideration for a contract. While our cases have discussed novelty as an element of an idea seller's claim, it is not a discrete supplemental requirement, but simply part of plaintiff's proof of either a proprietary interest in a claim based on a property theory or the validity of the consideration in a claim based on a contract theory (see generally, 3 Nimmer, Copyright, ch. 16).

In Downey, plaintiff submitted an idea for an advertising campaign. A short time later, defendant General Foods mounted a campaign that was similar to the one plaintiff had suggested and plaintiff sought damages in a complaint alleging several theories for recovery (see, 37 A.D. 2d 250, 323 N.Y.S. 2d 578). We ordered the dismissal of the complaint on two separate grounds: first, the lack of novelty and, second, defendant's prior possession of the idea - i.e., its lack of novelty as to defendant (Downey, 31 N.Y. 2d at 61-62, 334 N.Y.S. 2d 874, 286 N.E. 2d 257). To the extent plaintiff's causes of action were grounded on assertions of a property right, we found that they were untenable "if the elements of novelty and originality [were] absent, since the property right in an idea is

based upon these two elements" (id., at 61, 334 N.Y.S. 2d 874, 286 N.E. 2d 257). Second, we concluded that the defendant possessed plaintiff's ideas prior to plaintiff's disclosure. Thus, the ideas could have no value to defendant and could not supply consideration for any agreement between the parties (see, Ferber v. Sterndent Corp., 51 N.Y. 2d 782, 433 N.Y.S. 2d 85, 412 N.E. 2d 1311).

In Soule v. Bon Ami Co., plaintiff made an express contract with Bon Ami to disclose a way to increase profits. The idea consisted largely of a proposal to raise prices. The Appellate Division, in a frequently cited opinion, denied plaintiff any recovery, finding that the bargain lacked consideration because the idea was not novel. This Court affirmed but it did so on a different basis: it

held that plaintiff had failed to show that profits resulted from the disclosure.

These decisions do not support defendant's contention that novelty is required in all cases involving disclosure of ideas. Indeed, we have explicitly held that it is not (see, Keller v. American Chain Co. 255 N.Y. 94, 174 N.E. 74). Downey, Soule and cases in that line of decisions involve a distinct factual pattern: the buyer and seller contract for disclosure of the idea with payment based on use, but no separate postdisclosure contract for use of the idea has been made. Thus, they present the issue of whether the idea the buyer was using was, in fact, the seller's.

Such transactions pose two problems for the courts. On the one hand, how can

sellers prove that the buyer obtained the idea from them, and nowhere else, and that the buyer's use of it thus constitutes misappropriation of property? Unlike tangible property, an idea lacks title and boundaries and cannot be rendered exclusive by the acts of the one who first thinks it. On the other hand, there is no equity in enforcing a seemingly valid contract when, in fact, it turns out upon disclosure that the buyer already possessed the idea. In such instances, the disclosure, though freely bargained for, is manifestly without value. A showing of novelty, as least novelty as to the buyer, addresses these two concerns. Novelty can then serve to establish both the attributes of ownership necessary for a property-based claim and the value of the consideration

- the disclosure - necessary for contract-based claims.

There are no such concerns in a transaction such as the one before us. Defendant does not claim that it was aware of the idea before plaintiffs disclosed it but, rather, concedes that the idea came from them. When a seller's claim arises from a contract to use an idea entered into <u>after</u> the disclosure of the idea, the question is not whether the buyer misappropriated property from the seller, but whether the idea had value to the buyer and thus constitutes valid consideration. In such a case, the buyer knows what he or she is buying and has agreed that the idea has value, and the Court will not ordinarily go behind that determination. The lack of novelty, in and of itself, does not demonstrate a

lack of value (see, Keller v. American Chain Co., 255 N.Y. 94, 174 N.E. 74, supra). To the contrary, the buyer may reap benefits from such a contract in a number of ways - for instance, by not having to expend resources pursuing the idea through other channels or by having a profit-making idea implemented sooner rather than late. The law of contracts would have to be substantially rewritten were we to allow buyers of fully disclosed ideas to disregard their obligation to pay simply because an idea could have been obtained from some other source or in some other way.

IV

Having found that defendant's counterclaims and defenses challenging the existence of a valid contract should

be stricken, we further conclude that the Appellate Division erred in reinstating plaintiffs' seventh cause of action, which alleged unjust enrichment on a quasi-contract theory. The transaction is controlled by the express agreement of the parties and their rights and liabilities are to be determined solely on theories of breach of contract and the partial defense of waiver (see, Miller v. Schloss, 218 N.Y. 400, 408-409, 113 N.E. 337).

V

We have reviewed the remaining contentions of the parties and find them without merit.

Accordingly, the order of the Appellate Division should be modified, without costs, in accordance with this

opinion, and, as so modified, affirmed, and the certified question answered in the negative.

KAYE, C.J., and TITONE, HANCOCK and BELLACOSA, JJ., concur.

SMITH, J. taking no part.

Order modified, etc.

28 U.S.C. § 1254

Courts of appeals; certiorari; certified question

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;

(2) By certification at any time by a court of appeals of any question of law in any civil or criminal case as to which instructions are desired, and upon such certification the Supreme Court may give binding instructions or require the entire record to be sent up for decision of the entire matter in controversy.

APPENDIX W

28 U.S.C. § 1651(a) Writs

(a) The Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law.

APPENDIX X

No. 94-866

Supreme Court, U.S.
FILED
DEC 14 1994
OFFICE OF THE CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1994

HWESU S. MURRAY,

Petitioner,

—against—

NATIONAL BROADCASTING COMPANY, INC.
and BRANDON TARTIKOFF,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

RESPONDENTS' BRIEF IN OPPOSITION

SUSAN BUCKLEY
80 Pine Street
New York, New York 10005
(212) 701-3000

Counsel of Record

Of Counsel:

JUDITH A. ARCHER
CAHILL GORDON & REINDEL
(a partnership including
a professional corporation)
New York, New York

SUSAN WEINER
National Broadcasting Company, Inc.
New York, New York

25 pp

QUESTIONS PRESENTED

(1) Whether the court below erred in reviewing the district court's denial of Rule 60(b) relief under an "abuse of discretion" standard?

(2) Whether the court below erred in deciding that, where the federal courts have reasonably interpreted state law and a subsequent state court decision arguably calls that interpretation into question, a litigant is not entitled to relief under Fed. R. Civ. P. 60(b)?

(3) Whether the court below erred in adjudicating petitioner's appeal when the third judge assigned to the panel recused himself immediately prior to oral argument?

TABLE OF CONTENTS

PAGE

QUESTIONS PRESENTED i

TABLE OF AUTHORITIES iii

STATEMENT OF THE CASE 2

Nature of the Action 2

Murray's Motion Under Rule 60(b) 4

The Decision of the District Court 6

The Decision of the Court of Appeals 6

SUMMARY OF ARGUMENT 8

REASONS FOR DENYING THE WRIT 10

I. THE APPROPRIATE STANDARD OF APPELLATE REVIEW WAS CORRECTLY APPLIED BY THE COURT OF APPEALS . 10

II. THE SECOND CIRCUIT'S DECISION DOES NOT CONFLICT WITH PRIOR DECISIONS OF THIS COURT OR THE NEW YORK COURTS 12

III. THE ADJUDICATION OF PETITIONER'S APPEAL BY A TWO-JUDGE PANEL WAS PROPER 16

CONCLUSION 18

TABLE OF AUTHORITIES

Cases PAGE

Ackermann v. *United States*, 340 U.S. 193 (1950)..... 13

Adickes v. *S.H. Kress & Co.*, 398 U.S. 144 (1970) 10-11

In re Adoption of Jessica "XX", 430 N.E.2d 896 (N.Y. 1981), *aff'd sub nom. Lehr* v. *Robertson*, 463 U.S. 248 (1983) 15n

Allen v. *Johnson*, 391 F.2d 527 (5th Cir. 1968)..... 17n

Apfel v. *Prudential-Bache Securities Inc.*, 616 N.E.2d 1095 (N.Y. 1993).....*passim*

Ayrshire Collieries Corp. v. *United States*, 331 U.S. 132 (1947) 17n

Baxter International, Inc. v. *Morris*, 11 F.3d 90 (8th Cir. 1993) 11n

Browder v. *Director, Department of Corrections*, 434 U.S. 257 (1978) 11

Cotto v. *United States*, 993 F.2d 274 (1st Cir. 1993) .. 11n

Cruickshank & Co. v. *Dutchess Shipping Co.*, 805 F.2d 465 (2d Cir. 1986) 13

DeWeerth v. *Baldinger*, Nos. 93-7144, 7146, 1994 WL 588440 (2d Cir. Oct. 27, 1994), *cert. denied*, 63 U.S.L.W. 3386 (U.S. Nov. 14, 1994) .....*passim*

Downey v. *General Foods Corp.*, 286 N.E.2d 257 (N.Y. 1972)..... 3, 5

EEOC v. *FLRA*, 476 U.S. 19 (1986) 11

Erie R.R. v. *Tompkins*, 304 U.S. 64 (1938) .....*passim*

PAGE

Factors Etc., Inc. v. *Pro Arts, Inc.*, 652 F.2d 278 (2d Cir. 1981), *cert. denied*, 456 U.S. 927 (1982) 14-15

Ferber v. *Sterndent Corp.*, 412 N.E.2d 1311 (N.Y. 1980) 5n

Fraige v. *American-National Watermattress Corp.*, 996 F.2d 295 (Fed. Cir. 1993) 11n

Gager v. *White*, 425 N.E.2d 851 (N.Y.), *cert. denied*, 454 U.S. 1086 (1981) 15n

Granoff v. *Merrill Lynch & Co.*, 775 F. Supp. 621 (S.D.N.Y. 1991), *aff'd mem.*, 962 F.2d 2 (2d Cir. 1992) 5n

Guaranty Trust Co. v. *York*, 326 U.S. 99 (1945) 14, 14n

High v. *Zant*, 916 F.2d 1507 (11th Cir. 1990), *cert. denied*, 499 U.S. 954 (1991) 11n

Matarese v. *LeFevre*, 801 F.2d 98 (2d Cir. 1986), *cert. denied*, 480 U.S. 908 (1987) 11n

Minniefield v. *Alabama*, 542 F.2d 947 (5th Cir. 1976) 17n

Murray v. *National Broadcasting Co.*, 1990 Copyright L. Dec. (CCH) ¶ 26,655 (Sup. Ct. N.Y. Co. 1990), *aff'd*, 576 N.Y.S.2d 578 (App. Div. 1st Dep't 1991), *appeal dismissed*, 594 N.E.2d 936 (N.Y. 1992) .. 4n

Murray v. *National Broadcasting Co.*, No. 8632/92 (Sup. Ct. West. Co. Jan. 25, 1993), *appeal pending*, No. 93-05380 (2d Dep't) 4n

Negron v. *Peninsular Navigation Corp.*, 279 F.2d 859 (2d Cir. 1960) 10n

Nevada v. *United States*, 463 U.S. 110 (1983)..... 16

PAGE

New Hampshire Insurance Co. v. *Martech USA, Inc.*, 993 F.2d 1195 (5th Cir. 1993) 11n

People v. *Pepper*, 423 N.E.2d 366 (N.Y.), *cert. denied*, 454 U.S. 967 (1981), 454 U.S. 1162 (1982) 15n

Pierce v. *Underwood*, 487 U.S. 552 (1988)..... 12

Reinsurance Co. of America, Inc. v. *Administratia Asigurarilor de Stat*, 902 F.2d 1275 (7th Cir. 1990)..... 11n, 12

Ring v. *Estee Lauder, Inc.*, 702 F. Supp. 76 (S.D.N.Y. 1988), *aff'd per curiam*, 874 F.2d 109 (2d Cir. 1989) 5n

Salve Regina College v. *Russell*, 499 U.S. 225 (1991)..... 11n-12n

Schildhaus v. *Moe*, 335 F.2d 529 (2d Cir. 1964)..... 13

Soule v. *Bon Ami Co.*, 195 N.Y.S.2d 574 (App. Div. 2d Dep't 1922), *aff'd*, 139 N.E. 754 (N.Y. 1923).... 5n

Southern Pacific R.R. v. *United States*, 168 U.S. 1 (1897) 16

Twelve John Does v. *District of Columbia*, 841 F.2d 1133 (D.C. Cir. 1988)..... 11n

United States v. *Glover*, 731 F.2d 41 (D.C. Cir. 1984) 18

Western Pacific R.R. v. *Western Pacific R.R.*, 345 U.S. 247 (1953) 17

Woman Golfer, Inc. v. *Meredith Corp.*, 792 F. Supp. 211 (S.D.N.Y. 1992) 5n

PAGE

Congressional Materials

S. Rep. No. 275, 97th Cong., 1st Sess. (1981), *reprinted in* 1982 U.S.C.C.A.N. 11 16-17

Rules

Fed. R. Civ. P.
Rule 60(b) ..... *passim*
Rule 60(b)(1) 6n, 13n
Rule 60(b)(5) 8n, 10n
Rule 60(b)(6) 7, 10n, 13

Local Rules of the Second Circuit
Rule § 0.14(b) 8, 8n

Supreme Court Rules
Rule 29.1 ..... 1n

Statutes

Anti-Injunction Act
28 U.S.C. § 2283 (1988) 4n

Civil Rights Law
42 U.S.C. § 1981 (1988) 2

Judicial Code
28 U.S.C. § 46(b) 1988) 8, 10, 16, 17, 17n
28 U.S.C. § 46(d) (1988) 17n

IN THE

Supreme Court of the United States

OCTOBER TERM, 1994

No. 94-866

HWESU S. MURRAY,

Petitioner,

—against—

NATIONAL BROADCASTING COMPANY, INC.
and BRANDON TARTIKOFF,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

RESPONDENTS' BRIEF IN OPPOSITION

Respondents National Broadcasting Company, Inc. ("NBC")[1] and Brandon Tartikoff ("Tartikoff") respectfully submit that a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit entered on June 16, 1994 (rehearing and rehearing *en banc* denied, August 12, 1994) should not issue because no question worthy of the exercise of the Court's certiorari jurisdiction is presented and because the decision below is in all respects correct.

---

[1] Pursuant to Supreme Court Rule 29.1, Respondent NBC advises the Court that it is a wholly-owned subsidiary of the General Electric Company Inc. ("GE"), a publicly-owned corporation. NBC has no subsidiaries or affiliates other than wholly-owned subsidiaries.

STATEMENT OF THE CASE

Nature of the Action

Ten years ago petitioner Hwesu S. Murray ("Murray"), then an NBC sports division financial manager, instituted an action against NBC and its entertainment division president, Brandon Tartikoff, claiming that they had misappropriated an idea submitted by Murray to NBC personnel in 1980.[2] Murray claimed that four years after he submitted his idea, for a program entitled "Father's Day", it surfaced as the critically acclaimed and financially successful *The Cosby Show*, which was broadcast on the NBC television network. (JA 60, 65-66)[3]

Murray's original complaint, filed in 1984, asserted a variety of claims, including, *inter alia*: (1) misappropriation and conversion of his idea; (2) breach of implied agreement and implied confidential relationship; and (3) unjust enrichment. (JA 74-87) Murray did not claim that NBC had entered into any contractual relationship with him; indeed he alleged that NBC's failure to do so was actionable under 42 U.S.C. § 1981. Murray sought an injunction against broadcast of *The Cosby Show*, a declaration that he owns all rights to it, compensatory and punitive damages and other relief. (JA 86-87)

In July of 1987 the district court granted summary judgment for respondents and dismissed Murray's complaint in its entirety. 671 F. Supp. 236 (Pet. App. L). The court held that the lack of novelty of Murray's alleged "Father's Day" sub-

---

[2] The action was also brought against the Carsey-Werner Co. (executive producer and copyright owner of *The Cosby Show*) and its principals, Marcia Carsey and Thomas Werner. (JA 53) This action was dismissed as against the Carsey-Werner Company and its two principals with Murray's consent. (JA 112-13)

[3] References herein to "Pet. at __" are to the Petition for a Writ of Certiorari. References herein to "Pet. App. __" are to the Appendices annexed thereto. References herein to "JA __" are to the Joint Appendix filed in the Court of Appeals for the Second Circuit on the appeal below.

mission precluded any recovery from the defendants. 671 F. Supp. 236 (Pet. App. L at 41-47). In so holding, the court expressly relied on a long line of New York state cases, including the New York Court of Appeals' seminal decision in *Downey* v. *General Foods Corp.*, 286 N.E.2d 257 (N.Y. 1972). 671 F. Supp. at 239 (Pet. App. L at 15-16). The district court concluded that Murray's "Father's Day" proposal was not novel because it merely combined ideas that had existed in the industry for years and because Bill Cosby himself had publicly discussed the possibility of developing a program like *The Cosby Show* over 15 years before Murray's proposal. 671 F. Supp. at 241-42, 244 (Pet. App. L at 24-25). Because the district court held that "Father's Day" was not novel, each of Murray's claims necessarily failed. A judgment of dismissal was entered on July 22, 1987. (Pet. App. K)

In April 1988, the Court of Appeals for the Second Circuit affirmed the district court's holding in an often-cited opinion, 844 F.2d 988 (Pet. App. J), agreeing with the district court's application and analysis of New York law. Like the district court, the Court of Appeals was persuaded that Murray's "Father's Day" proposal was not novel and therefore not protectable under New York law.

The Second Circuit denied Murray's request for rehearing and his suggestion for rehearing *en banc*, no member of the Court having requested that a vote on rehearing be taken. (Pet. App. I) On November 14, 1988, this Court denied Murray's petition for a writ of certiorari. 488 U.S. 955 (Pet. App. H).

Since this Court denied Murray's original petition for a writ of certiorari, Murray has instituted two separate actions before the courts of the State of New York seeking the same relief sought in his original federal litigation. Both of those actions were dismissed by New York's courts as barred by the doctrine of *res judicata*.[4]

[4] In May of 1989, Murray improperly instituted his second action claiming ownership rights to *The Cosby Show* before the New York County Supreme Court. On motion by respondents, the federal district

Murray's Motion Under Rule 60(b)

Six years after final judgment was entered against Murray, the New York Court of Appeals announced its decision in a wholly unrelated case styled *Apfel* v. *Prudential-Bache Securities Inc.*, 616 N.E.2d 1095 (N.Y. 1993) (Pet. App. V). In *Apfel*, plaintiffs sued defendant Prudential-Bache Securities Inc. ("Prudential") for breach of a written contract pursuant to which plaintiffs conveyed to Prudential a group of ideas for issuing and marketing municipal bonds and Prudential agreed to compensate plaintiffs for use of those ideas. *Apfel*, 616 N.E.2d at 1095-96. The contract was negotiated and executed *after* plaintiffs disclosed those ideas to Prudential. Thereafter, Prudential performed and paid plaintiffs under the agreement for more than two years before purporting to terminate the agreement. *Id.* at 1096.

On appeal from the trial court's rulings on various pre-trial motions (as modified by the Appellate Division), the New York Court of Appeals rejected Prudential's argument, based on *Downey* and other decisions (including the Second Circuit's original decision in this case), that plaintiffs' ideas were not novel and, thus, could not constitute consideration for the

---

court issued an injunction pursuant to the relitigation exception of the federal Anti-Injunction Act, 28 U.S.C. § 2283 (1988), in order to protect its judgment. 718 F. Supp. 249 (Pet. App. G). The injunction prohibited Murray from relitigating in state court any claims that had actually been litigated before the district court. 718 F. Supp. at 251 (Pet. App. G at 10). Subsequently, the state court made its own determination that so much of the action as remained was barred by the doctrine of *res judicata* and dismissed the complaint. *Murray* v. *National Broadcasting Co.*, 1990 Copyright L. Dec. (CCH) ¶ 26,655 (Sup. Ct. N.Y. Co. 1990), *aff'd*, 576 N.Y.S.2d 578 (App. Div. 1st Dep't 1991), *appeal dismissed*, 594 N.E.2d 936 (N.Y. 1992). Undaunted, Murray filed his third complaint—identical to his second—before the New York Supreme Court, Westchester County. Like his New York County action, this obviously improper attempt to relitigate the district court's judgment was dismissed as barred by the doctrine of *res judicata*. *Murray* v. *National Broadcasting Co.*, No. 8632/92 (Sup. Ct. West. Co. Jan. 25, 1993), *appeal pending*, No. 93-05380 (2d Dep't).

agreement. *Id.* The *Apfel* court declined to review the adequacy of the consideration for the agreement therein, finding that the fact that defendant entered into it after reviewing the ideas established that something of value had been transferred. The *Apfel* court held that if an idea is "fully disclosed" and the interested purchaser determines *after* such disclosure to enter into a contract for the exclusive right to purchase and exploit the idea, the contract could still be enforced under New York law in the absence of novelty. *Id.* at 1098.

The *Apfel* court took pains to reaffirm that the element of novelty was still required in New York in the classic idea submission case—like this case—where there is no issue of a "postdisclosure contract for *use* of the idea." 616 N.E.2d at 1098 (emphasis in original). Distinguishing *Downey* and the entire line of cases relied on by the district court in its original decision in this case,[5] the Court of Appeals explained that where the parties have expressly contracted after disclosure of the idea, "the question is not whether the buyer misappropriated property from the seller, but whether the idea had value to the buyer and thus constitutes valid consideration." *Id.*

In August 1993, Murray moved to vacate the district court's original 1987 judgment in this case on the basis of the *Apfel* decision. Despite the fact that the *Apfel* court made no suggestion that the district court or the Second Circuit had erred in their reading of New York law—and despite the fact that *Apfel* expressly distinguished its facts from idea submission cases such as this one—Murray argued that the *Apfel* decision demonstrated that the district court's grant of summary judg-

---

[5] The string of idea submission cases, state and federal, applying the novelty requirement is unbroken. *See, e.g., Ferber* v. *Sterndent Corp.*, 412 N.E.2d 1311 (N.Y. 1980); *Soule* v. *Bon Ami Co.*, 195 N.Y.S. 574 (App. Div. 2d Dep't 1922), *aff'd*, 139 N.E. 754 (N.Y. 1923); *Ring* v. *Estee Lauder, Inc.*, 702 F. Supp. 76 (S.D.N.Y. 1988), *aff'd per curiam*, 874 F.2d 109 (2d Cir. 1989); *Woman Golfer, Inc.* v. *Meredith Corp.*, 792 F. Supp. 211 (S.D.N.Y. 1992); *Granoff* v. *Merrill Lynch & Co.*, 775 F. Supp. 621 (S.D.N.Y. 1991), *aff'd mem.*, 962 F.2d 2 (2d Cir. 1992).

ment and the Second Circuit's affirmance were contrary to New York law when they were issued and remain so now. On that faulty foundation, Murray erected the equally shaky assertion that Rule 60(b) afforded him the right to reopen the district court's six-year-old judgment and proceed apace to trial.

The Decision of the District Court

By Opinion and Order entered November 22, 1993, the district court denied Murray's motion for relief under Rule 60(b). 1993 WL 485584 (Pet. App. E). At the outset, the district court noted that "it is not clear that a motion under Rule 60(b) is either proper or timely." (Pet. App. E at 2)[6] Nonetheless, the court found that it was not necessary to resolve that question because Murray had failed to demonstrate any "new circumstances" to justify relief. (*Id.*) Analyzing the *Apfel* decision, the district court concluded that "Murray misreads *Apfel*." (*Id.* at 3) The district court correctly found that "the *Apfel* court carefully distinguished the facts before it from the 'idea submission' type of case brought by Murray," "expressly differentiat[ing] between the situation where the parties enter into a contract for use of an idea *after* full disclosure of the idea and those such as Murray's where there never was a post-disclosure contract for use." (*Id.* at 4, 6 (emphasis in original)) Accordingly, the district court held, *Apfel* did not change the law applicable to Murray's claims and thus it declined to award relief under Rule 60(b). (*Id.* at 7)

The Decision of the Court of Appeals

Murray appealed to the Second Circuit, arguing that the district court had abused its discretion in concluding that the *Apfel* decision did not constitute an "extraordinary develop-

---

[6] Because Murray contended that the earlier decisions were incorrect, respondents had argued that he could only seek relief from judgment under Fed. R. Civ. P. 60(b)(1), which is subject to an absolute one-year time limit. Thus, his claim would be untimely even were it not otherwise meritless.

ment" sufficient to justify Rule 60(b) relief. On June 16, 1994, the Second Circuit summarily affirmed the district court's denial of Murray's Rule 60(b) motion. (Pet. App. B)[7] In an unpublished opinion (Pet. App. D), the Second Circuit noted that the *Apfel* court had found the contract at issue therein enforceable even if the plaintiffs' ideas were not novel and had expressly distinguished the line of New York authority requiring novelty, including its own 1988 opinion in this case. Thus, the Court of Appeals held: "[a]s the district court correctly noted, *Apfel* is not inconsistent with our prior decision in *Murray*, nor does it indicate that New York law has since changed." (Pet. App. D at 10)

The Second Circuit went on to state that even had *Apfel* been inconsistent with its 1988 decision in this case, the majority in that decision reasonably had construed New York's novelty requirement based on then-existing state court precedent. (Pet. App. D at 7-8) "[W]here the Second Circuit reasonably predicts how New York courts will rule on a question of state law, a subsequent decision by the New York Court of Appeals that is contrary to the Second Circuit's prediction does not constitute an 'extraordinary circumstance' under Rule 60(b)(6)." (*Id.* at 7) The Second Circuit found controlling its decision in *DeWeerth* v. *Baldinger*, Nos. 93-7144, 7146, 1994 WL 588440 (2d Cir. Oct. 27, 1994), *cert. denied*, 63 U.S.L.W. 3386 (U.S. Nov. 14, 1994), in which the court reversed a grant of Rule 60(b) relief from a federal judgment based on a subsequent New York Court of Appeals' decision. The Second Circuit noted that *DeWeerth* provided a much stronger case for Rule 60(b)(6) relief than this case did because there the New York Court of Appeals had explicitly ruled that the Second Circuit's earlier prediction of New York law in the *DeWeerth* case itself was incorrect, whereas here

---

[7] The order of the Court of Appeals was issued as a mandate on September 6, 1994. (Pet. App. C) The appeal was decided by Chief Judge Newman and Judge Lumbard. Judge Oakes was originally assigned to hear the appeal but recused himself before oral argument thereof.

the Court of Appeals in *Apfel* had simply distinguished this case from the one before it.[8]

Petitioner sought rehearing of the order of summary affirmance contending, *inter alia*, that the determination of the appeal by two circuit judges after one judge recused himself prior to oral argument violated 28 U.S.C. § 46(b) (1988) and Second Circuit Local Rule § 0.14(b). The petition for rehearing was denied on August 12, 1994. 35 F.3d 45 (2d Cir. 1994) (Pet. App. A). Chief Judge Newman concluded that section 46(b) and its legislative history indicated that the statute was not intended to preclude disposition of an appeal by a two-judge panel where one judge becomes unable to participate, but only requires that appeals be assigned to three judges "in the first instance." 35 F.3d at 47 (Pet. App. A at 4-6). Thus, the Court of Appeals concluded, the fact that one judge originally assigned to hear plaintiff's appeal subsequently recused himself did not violate section 46(b).[9]

SUMMARY OF ARGUMENT

Parroting a list of factors that might warrant the exercise of this Court's jurisdiction in appropriate cases, Murray claims that the decision below conflicts with this Court's prior decisions, that it conflicts with the decision of the New York Court of Appeals, that it violates his constitutional rights and that it otherwise presents important questions of federal law.

---

[8] Finally, the Court of Appeals held, correctly, that Murray had shown no basis for relief under Rule 60(b)(5) because, as was also the case in *DeWeerth*, the judgment from which Murray sought relief had no prospective application. Murray does not raise Rule 60(b)(5) in his petition as a basis for granting certiorari.

[9] Chief Judge Newman also found that Second Circuit Local Rule § 0.14(b) did not preclude the disposition of petitioner's appeal by two judges. 35 F.3d at 48. Murray does not claim in the petition that the determination of his appeal by a two-judge panel violated Local Rule § 0.14(b).

In truth, it does no such thing. It merely represents yet another effort by this disappointed litigant—who to date has filed three separate actions seeking an ownership interest in *The Cosby Show*—to relitigate claims that were fully and fairly litigated years ago.

First, Murray would have this Court abandon the "abuse of discretion" standard of review in favor of a *de novo* standard whenever an issue of state law is raised in support of a Rule 60(b) motion. Even had Murray not waived this point by failing to contest the standard in the court below, there is no sufficient basis for this Court to exercise its certiorari jurisdiction to consider a standard uniformly applied by all circuit courts of appeals in reviewing determinations under Rule 60(b).

Second, Murray contends that the decisions of the courts below are inconsistent with the New York Court of Appeals' decision in *Apfel*. What he is really saying is that the original decisions of the district court and the Second Circuit were wrong. Yet those decisions are clearly no longer subject to review. The only question presented to the court below was whether relief under Rule 60(b) was properly denied—which it was. Murray also asserts that the decision below conflicts with this Court's decision in *Erie R.R.* v. *Tompkins*, 304 U.S. 64 (1938), and violates its "outcome determinative" test.[10] As the Second Circuit has correctly held, both in the opinion below and in *DeWeerth*, *Erie* requires only that federal courts apply state substantive law in a diversity case; it does not guarantee that federal courts will never misapply state law. Granting review in this case on such a basis would suggest that this Court's certiorari jurisdiction is properly invoked whenever a losing party in a diversity case discovers new

---

[10] Indeed, this Court was recently asked to consider this same issue in *DeWeerth*, and declined to do so. *See* 63 U.S.L.W. 3386 (U.S. Nov. 14, 1994). *DeWeerth* presented an even stronger case for review because the subsequent state court decision there—unlike here—explicitly found the federal court's previous determination of state law to be incorrect.

authority in the controlling jurisdiction regardless of the length of time that has passed—a result that the need for finality of judgments precludes.

Third, and finally, the fact that Murray's appeal was decided by a panel of two judges did not violate 28 U.S.C. § 46(b), is not inconsistent with decisions of this Court, and otherwise presents no important recurring federal question that would justify expending this Court's resources to resolve.

REASONS FOR DENYING THE WRIT

I. THE APPROPRIATE STANDARD OF APPELLATE REVIEW WAS CORRECTLY APPLIED BY THE COURT OF APPEALS

Murray contends that the Second Circuit erroneously applied the "abuse of discretion" standard in reviewing the district court's denial of his Rule 60(b) motion and urges that this Court use this opportunity to adopt a *de novo* standard of review whenever an issue of state law is raised in support of a motion under Rule 60(b). Yet, Murray neglects to advise the Court that he failed to dispute the propriety of the "abuse of discretion" standard before the Second Circuit (in his briefs on the appeal or in his petition for rehearing)—indeed, he specifically cited that standard as the proper one in his brief to the court below.[11] It is well-settled that "[w]here issues are

---

[11] Point I(A) of Murray's Brief on Appeal to the Second Circuit provided as follows:

> A. STANDARD OF REVIEW: ABUSE OF DISCRETION
>
> This Court reviews the denial of a motion brought pursuant to Rule 60(b)(5) and (6) by determining whether the district court has abused its discretion. *Negron* v. *Peninsular Navigation Corp.* 279 F.2d 859 (2d Circ. 1960). In the appeal at bar the order of the district court, which denied Murray's motion to vacate its prior orders and judgment, should be reversed because the district court abused its discretion. (Brief for Plaintiff-Appellant, dated February 3, 1994, at 12)

neither raised before nor considered by the Court of Appeals, this Court will not ordinarily consider them." *Adickes* v. *S.H. Kress & Co.*, 398 U.S. 144, 147 n.2 (1970); *EEOC* v. *FLRA*, 476 U.S. 19, 24 (1986) (per curiam) (Court "refrain[s] from addressing issues not raised in the Court of Appeals"). Murray's failure to contest—indeed, his endorsement of—the "abuse of discretion" standard renders certiorari unwarranted. *See, e.g., EEOC* v. *FLRA, supra*, 476 U.S. at 24 (dismissing as improvidently granted writ of certiorari presenting questions not raised in Court of Appeals).

Even had Murray not waived this argument by failing to raise it before the Second Circuit, there is no conflict among the federal courts regarding the appropriate standard of review nor is there any important question of federal law to be resolved by this Court. It is well-settled law that Courts of Appeal review denials of Rule 60(b) motions only for an abuse of discretion,[12] as this Court has recognized in dictum. *Browder* v. *Director, Department of Corrections*, 434 U.S. 257, 263 n.7 (1978) (appeals from denials of Rule 60(b) motions reviewed "only for abuse of discretion").

Notwithstanding the unanimity of the Courts of Appeal on this issue, Murray asks this Court to discard this firmly-established standard in favor of *de novo* review where Rule 60(b) decisions involve determinations of state law. (Pet. at 22-23)[13]

---

[12] *See, e.g., Baxter International, Inc.* v. *Morris*, 11 F.3d 90, 92 (8th Cir. 1993); *Fraige* v. *American-National Watermattress Corp.*, 996 F.2d 295, 297 (Fed. Cir. 1993); *Cotto* v. *United States*, 993 F.2d 274, 277 (1st Cir. 1993); *New Hampshire Insurance Co.* v. *Martech USA, Inc.*, 993 F.2d 1195, 1200 (5th Cir. 1993); *High* v. *Zant*, 916 F.2d 1507, 1509 (11th Cir. 1990), *cert. denied*, 499 U.S. 954 (1991); *Reinsurance Co. of America, Inc.* v. *Administratia Asigurarilor de Stat*, 902 F.2d 1275, 1277 (7th Cir. 1990); *Twelve John Does* v. *District of Columbia*, 841 F.2d 1133, 1138 (D.C. Cir. 1988); *Matarese* v. *LeFevre*, 801 F.2d 98, 107 (2d Cir. 1986), *cert. denied*, 480 U.S. 908 (1987).

[13] In so doing, Murray cites as authority *Salve Regina College* v. *Russell*, 499 U.S. 225 (1991), an appeal from a denial of a motion for directed verdict involving a determination of state law claims. *Salve*

Rule 60(b), however, affords the district court "broad discretion" to grant or deny relief. *Reinsurance Co. of America, supra*, 902 F.2d at 1277. Accordingly, because Rule 60(b) relief is itself discretionary in nature, the Court of Appeals properly applied an "abuse of discretion" standard of review. *See Pierce* v. *Underwood*, 487 U.S. 552, 558 (1988) (matters left to discretion of district court reviewable for abuse of discretion).

II. THE SECOND CIRCUIT'S DECISION DOES NOT CONFLICT WITH PRIOR DECISIONS OF THIS COURT OR THE NEW YORK COURTS

Murray asserts that the New York Court of Appeals' decision in *Apfel* restated what he claims had been settled New York law prior to the decisions granting and affirming summary judgment in this case.[14] (Pet. at 25-26) As such, what Murray is actually urging is that the decisions of the district court and the Second Circuit more than six years ago—*not* the decisions below—were inconsistent with New York law and

---

Regina is distinguishable from this case because, as Murray concedes, it is not a Rule 60(b) case. The district court there made a determination of state law in deciding a directed verdict motion which, this Court held, should have been reviewed by the Court of Appeals *de novo*. *Id.* at 231. In contrast, the district court here did not make a determination of state law but only determined whether petitioner had established grounds which, in the court's discretion, warranted relief from judgment under Rule 60(b). The fact that an examination of state court decisions was involved is irrelevant. To be sure, a determination of state law was made by the district court here when it granted summary judgment in 1987 dismissing petitioner's state law claims. Consistent with *Salve Regina*, the Second Circuit reviewed that decision *de novo*. *See Murray, supra*, 844 F.2d at 992-95 (Pet. App. J at 18).

[14] Murray mischaracterizes the *Apfel* decision as holding that an idea need only be novel as to the defendant. (Pet. at 26-27) As the Second Circuit correctly found, however, the statement relied on by Murray was in dictum and, at best, *Apfel* left the "novelty as to the buyer" issue unresolved. (Pet. App. D at 6)

therefore wrong. (*Id.* at 27) Murray made this argument the last time he petitioned this Court to review his case and it has long since been put to rest. The only issue that Murray may request this Court to consider is whether the courts below properly denied his request for relief from the earlier judgment under Rule 60(b)(6). As we demonstrate below, they did.

Even assuming that the earlier decisions misinterpreted then-existing New York law, the mere misinterpretation or error of law is not grounds for relief under Rule 60(b)(6).[15] If it were, the concept of finality would be meaningless. Indeed, both this Court and the Second Circuit have made clear that Rule 60(b)(6) simply cannot be used as a substitute for an appeal. *Ackermann* v. *United States*, 340 U.S. 193, 198 (1950); *Cruickshank & Co.* v. *Dutchess Shipping Co.*, 805 F.2d 465, 468 (2d Cir. 1986); *Schildhaus* v. *Moe*, 335 F.2d 529, 531 (2d Cir. 1964).

Murray then makes the overarching assertion that the decision below conflicts with the doctrine set forth in *Erie R.R.* v. *Tompkins*. Murray's logic proceeds, as best as respondents can follow it, from the assumption that had he chosen to bring his action in state court (which he did not), he would have won. Inasmuch as he lost in federal court, what he calls the *Erie* "outcome determination" principle requires, *ipse dixit*, that he be relieved from the federal judgment.

At bottom, however, Murray's argument fundamentally misinterprets the holding in *Erie*. *Erie* does not seek to guarantee that the federal courts will never misapply state law. It merely requires that the federal courts apply state substantive law in a diversity case rather than a separate federal common law. The "outcome determinative" test is, of course, simply the means by which federal courts distinguish those issues that "so intimately affect recovery or non-recovery" that they

---

[15] Such a claim must be asserted, if at all, under Rule 60(b)(1), which Murray did not raise and which, in any event, would be barred by the one-year time limit applicable to claims brought thereunder.

require reference to state substantive law from those issues that do not, as to which federal procedural law should properly be applied. *Guaranty Trust Co.* v. *York*, 326 U.S. 99, 110 (1945).[16] Here, as the Second Circuit recognized (Pet. App. D at 7), there is absolutely no suggestion that the district court or the Second Circuit did anything but faithfully look to state law for the rule of decision. That, according to Murray, they misread that rule of decision, simply does not implicate *Erie*.

Courts, federal and state alike, are daily faced with the task of interpreting and applying the laws of other jurisdictions without possible resort to the highest court in the controlling jurisdiction. Litigants do not get a second chance merely because some subsequent decision from the controlling jurisdiction suggests that there may have been a mistake.[17] *See DeWeerth*, 1994 WL 588440, * 7 ("There is nothing in *Erie* that suggests that consistency must be achieved at the expense of finality, or that federal cases finally disposed of must be revisited anytime an unrelated state case clarifies the applicable rules of law."); *Factors Etc., Inc.* v. *Pro Arts, Inc.*, 652 F.2d 278, 282 (2d Cir. 1981) (the fact that "a federal court's decision on state law cannot be corrected, for the benefit of the litigants in the particular case, by the state's authoritative tribunal" is the "price [that] must be paid" for diversity juris-

---

[16] Murray misrepresents the holding of *Guaranty Trust Co.* v. *York* by deleting a material portion of a quote. (Pet. at 25) Murray quotes the case as stating: "[T]he outcome of the litigation in the federal court should be substantially the same . . . as it would be as if tried in a State Court." (*Id.*) The quotation actually reads: "[T]he outcome of the litigation in the federal court should be substantially the same, *so far as legal rules determine the outcome of a litigation*, as it would be as if tried in a State Court." 326 U.S. at 109 (emphasis added to show ellipsed material).

[17] In the end, Murray's *Erie* argument, like his others, proceeds from the faulty baseline assumption that *Apfel* demonstrates that the district court and the Court of Appeals erred in applying New York law. The decision in *Apfel* provides no foundation for such arguments and Murray's tortured effort to invoke the *Erie* doctrine in support of them is meritless.

diction), *cert. denied*, 456 U.S. 927 (1982). The Constitution requires *only* that courts attempt to apply other jurisdiction's laws properly, not that they must always succeed. *DeWeerth*, *supra*, 1994 WL 588440, * 7; *Factors*, *supra*, 652 F.2d at 281-82.

Murray proffers various policy arguments, presumably in an attempt to entice this Court to grant review given the absence of a clear legal basis to do so. He asserts that litigants should not have to bear the burden of erroneous determinations of state law by federal courts. Of course, Murray's policy argument on the "burden of error" incorrectly assumes that state courts are immune from error and that no such burden would exist there.[18] Moreover, every litigant who chooses a federal forum over a state forum knows full well that determinations of state law will be made by the federal court and, therefore, must bear this burden. *See DeWeerth*, 1994 WL 588440, * 6 (to hold otherwise "would be tantamount to holding that the doctrine of finality does not apply to diversity judgments").

Murray further argues that the need to correct erroneous decisions should outweigh the need for finality in litigations. He also tries to imply that this Court has instructed that finality is not as important as, *inter alia*, the prevention of forum

---

[18] Even assuming that *Apfel* represented a change in New York law, it is noteworthy that even the courts of New York would decline to vacate an earlier state court judgment grounded in a differing interpretation of New York law. A change in law will not be applied in New York state courts "to actions and proceedings which had been finally determined and whose judicial life had then expired." *In re Adoption of Jessica "XX"*, 430 N.E.2d 896, 898 (N.Y. 1981), *aff'd sub nom. Lehr* v. *Robertson*, 463 U.S. 248 (1983). *See also, e.g.*, *People* v. *Pepper*, 423 N.E.2d 366, 369 (N.Y.) (change in law only applied to cases "still on direct review at the time the change in law occurred"), *cert. denied*, 454 U.S. 967 (1981) and 454 U.S. 1162 (1982); *Gager* v. *White*, 425 N.E.2d 851, 853-54 & n.1 (N.Y.) (new decisions applied to "cases still in the normal litigating process"), *cert. denied*, 454 U.S. 1086 (1981).

shopping.[19] (Pet. at 42) However, this court has often stressed the need for finality in judgments. As Justice Harlan warned in *Southern Pacific R.R.* v. *United States*, 168 U.S. 1, 49 (1897), if "conclusiveness did not attend the judgments of [judicial] tribunals" they would serve no purpose. *See also Nevada* v. *United States*, 463 U.S. 110, 129 (1983).

III. THE ADJUDICATION OF PETITIONER'S APPEAL BY A TWO-JUDGE PANEL WAS PROPER

Finally, Murray claims that the petition should be granted so that this Court can determine whether the adjudication of his appeal by a two-judge panel after one judge recused himself immediately before oral argument violates 28 U.S.C. § 46(b) (1988) and the "tradition" of three-judge panels recognized by this Court. (Pet. at 42-47) As Chief Judge Newman aptly stated, this merely "raises an institutional issue of court procedure", 35 F.3d at 46, and thus does not present an important or recurring federal issue sufficient to warrant the granting of a writ of certiorari.

Section 46(b) states, in pertinent part, that "[i]n each circuit the court may authorize the hearing and determination of cases and controversies by separate panels, each consisting of three judges. . . ." As Chief Judge Newman recognized, the legislative history of section 46(b) demonstrates that it was not intended to preclude dispositions of appeals by two-judge panels where one judge becomes unable to participate prior to oral argument. 35 F.3d at 47 (citing S. Rep. No. 275, 97th

---

[19] Petitioner asserts that the decision below "squarely conflicts" with *Erie*, which Murray misquotes as holding that " '[N]o lapse of time' should prevent a federal district court from 'correct[ing]' its prior *Erie* violations." (Pet. at 41 (citations omitted)) Contrary to Murray's implication, however, *Erie* admonished that an unconstitutional assumption of power by federal courts in *refusing to apply state law* must be corrected regardless of any "lapse of time" (*Erie*, *supra* 304 U.S. at 79-80). Here, petitioner does not allege that the district court refused to apply state law, but only that its application of state law was incorrect.

Cong., 1st Sess. 9 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 19).[20] Section 46(b) requires only that all appeals be assigned "in the first instance" to three-judge panels. *See* S. Rep. No. 275, *supra*; *Murray*, *supra*, 35 F.3d at 47. To hold otherwise would not only contravene the legislative history, but would deprive circuit courts of the flexibility and efficiency necessary to adjudicate cases without undue delay.[21]

Murray also contends that the use of a two-judge panel violates the "tradition" of three-judge panels recognized by this Court in *Western Pacific R.R.* v. *Western Pacific R.R.*, 345 U.S. 247, 256 (1953). The situation here is confined to infrequent and unanticipated situations and there is no reason to believe that the use of two-judge panels will become standard practice or will encourage judges to recuse themselves on the eve of oral argument. As Chief Judge Newman recognized, the use of two-judge panels in limited circumstances, while not the preferred method of adjudicating cases, nevertheless is warranted where assembling a three-judge panel would

---

[20] The Senate's Report's identification of death and disability "does not preclude unavailability because of late-discovered disqualification." *Murray*, *supra*, 35 F.3d at 47.

[21] The Second Circuit's interpretation of § 46(b) is also consistent with § 46(d) which, in providing that "a majority of the number of judges authorized to constitute a court or panel thereof . . . shall constitute a quorum," contemplates the use of two-judge panels. *See* 35 F.3d at 47 (use of two-judge panels "is explicitly borne out by subsection 46(d)"); *Minniefield* v. *Alabama*, 542 F.2d 947 (5th Cir. 1976) (per curiam) (two-judge panel constituted quorum to hear case). Indeed, although petitioner is correct in asserting that a "quorum" is not a "panel," a quorum of two judges is all that is required under § 46(d) to hear and decide an appeal. *See Ayrshire Collieries Corp.* v. *United States*, 331 U.S. 132, 138 (1947) ("Two judges of a three-judge circuit court of appeals . . . ordinarily constitute a statutory quorum for the hearing and determination of cases.") To adopt petitioner's strict interpretation of § 46(b) would render § 46(d) meaningless, which clearly was not Congress' intent. *See, e.g.*, *Allen* v. *Johnson*, 391 F.2d 527, 529-30 (5th Cir. 1968) (per curiam) ("[I]t is not reasonable to suppose Congress desired or intended any such wasteful consequences.").

result in a waste of limited judicial resources. 35 F.3d at 48 (quoting *United States* v. *Glover*, 731 F.2d 41, 51 (D.C. Cir. 1984) (Mikva, J., dissenting) ("[A]s our dockets have become more full, a need for the efficient use of judicial resources has arisen, and . . . this quest for efficiency on occasion must be balanced against the need for judicial pluralism.")). Thus, for reasons of judicial economy, a two-judge panel was necessary and appropriate under the circumstances presented here and raises no issue warranting the grant of certiorari.

CONCLUSION

The petition for a writ of certiorari should be denied.

Dated: New York, New York
December 14, 1994

Respectfully submitted,

SUSAN BUCKLEY
80 Pine Street
New York, NY 10005
(212) 701-3000

Counsel of Record

Of Counsel:

JUDITH A. ARCHER
CAHILL GORDON & REINDEL
(a partnership including
a professional corporation)
New York, New York

SUSAN WEINER
National Broadcasting Company, Inc.
New York, New York